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ABSTRACT

Hearings on the charging of processing fees to low- and middle-income students who apply for federal student assistance under Title IV of the Higher Education Act are presented. Attention is focused on whether the Department of Education's decision to eliminate the "check-off" option from the forms provided by the major processors violates the intent of Congress to make federal aid available without charge. This check-off option allows students to indicate that they are applying only for federal aid. The 1982-1983 Financial Aid Form (FAF), sponsored and processed by the College Scholarship Service, not only excludes the check-off option but does not mention that there is no fee for applying for federal aid or that there is an alternative form available for which no fee is required. The Department ruled that an institution and/or state agency might require additional data elements to determine eligibility for nonfederal aid, and that students could be charged fees for the collection and analysis of such data. The new multiple data entry mechanism allows students to apply for state, institutional, and federal funds with one form. The 1981-1982 and 1982-1983 versions of the FAF and the Basic Grant Application Form are provided. (SW)

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HE
**OVERSIGHT HEARING ON
STUDENT AID FORMS**

ED235766

HEARING
BEFORE THE
SUBCOMMITTEE ON
POSTSECONDARY EDUCATION
OF THE
COMMITTEE ON EDUCATION AND LABOR
HOUSE OF REPRESENTATIVES
NINETY-SEVENTH CONGRESS
SECOND SESSION

HEARING HELD IN WASHINGTON, D.C. ON MARCH 18, 1982

Printed for the use of the Committee on Education and Labor

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(III)

OVERSIGHT HEARING ON STUDENT AID FORMS

THURSDAY, MARCH 18, 1982

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON POSTSECONDARY EDUCATION,
COMMITTEE ON EDUCATION AND LABOR,
Washington, D.C.

The subcommittee met, pursuant to notice, at 9:50 a.m., in room 2257, Rayburn House Office Building, Hon. Paul Simon (chairman of the subcommittee) presiding.

Members present: Representatives Simon, Coleman, and Erdahl.

Staff present: William Blakey, counsel; Maryln McAdam, legislative assistant; John Dean, minority counsel; and Betsy Brand, minority legislative assistant.

Mr. SIMON. The subcommittee will come to order.

The Subcommittee on Postsecondary Education is holding an oversight hearing today on the charging of processing fees to low- and middle-income students who apply for Federal student assistance under title IV of the Higher Education Act.

This issue has arisen because of the unavailability of the Secretary's common form to many college students around the country and the decision to eliminate the "check-off" from the forms provided by the major processors.

These include: The College Scholarship Service, FAF; the American College Testing Needs Analysis Services, FFS; and the Pennsylvania Higher Education Assistance Association, which does not charge for processing its form.

The elimination of the checkoff effectively denies any student who uses the FAF or the FFS forms the opportunity to avoid paying the fee.

In situations where a student may be required to use one of these forms to apply for Federal student aid only, that student is being charged a fee which the Congress did not intend for low- and middle-income students to pay when they apply for Pell grants, SEOG's, college work student, and national direct student loans.

The elimination of the checkoff appears to be motivated by a desire on the part of the administration to save an estimated \$1 million in reimbursement costs to the major processing services, which I sympathize with. But this, I believe, is not an acceptable explanation for violating Congress expressed intent to make Federal student aid available to low- and middle-income students without charge.

I am anxious to hear a complete explanation of the Department's actions, including why the committee was not notified about this

(1)

change in the student aid forms, as required by law, until after the forms were printed and distributed.

However, I think there is a real question of whether we are, in fact, discouraging students in the process of all of this. I think that is my main concern.

Let me just say that the law is a little bit fuzzy, but the intent is, I think, fairly clear as it was when the law was written.

The statute says "the Secretary is authorized to * * *" It does not mandate it to enter into contracts with States. If that stood by itself, then we would not have a problem with compliance of the law.

The law, however, goes on to say that "the Secretary shall widely disseminate * * *" which makes the intent very, very clear.

That is what we are here to discuss today.

I want to include in the record at this point the 1981-82 and the 1982-83 forms which are the focus of our attention here today.

This also includes a copy of Bill Ford's recent letter to Secretary Bell on this issue as well as my letter of March 11, 1982, to Comptroller General Bowsher requesting an opinion on the legality of the Department's action.

Without objection, that material will appear in the record.

[Letters and forms referred to follow:]

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225-8881

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CONGRESS OF THE UNITED STATES
 HOUSE OF REPRESENTATIVES
 COMMITTEE ON EDUCATION AND LABOR
 SUBCOMMITTEE ON POSTSECONDARY EDUCATION
 320 CANNON HOUSE OFFICE BUILDING
 WASHINGTON, D.C. 20515

March 11, 1982

The Honorable Charles Bowsher
 Comptroller General
 General Accounting Office Building
 Washington, D.C. 20548

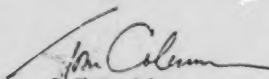
Dear Mr. Bowsher:

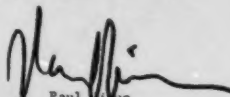
We are writing to request a legal opinion on the authority of the Department of Education to allow students to be charged a fee for student Federal financial aid application forms. It is our understanding that students are being charged \$6.50 for the Financial Aid Form (FAF) and \$6.00 for the American College Testing (ACT) form. We would appreciate an analysis of whether those charges represent a violation of Sec. 483(a) of the Higher Education Act of 1965, as amended. (20 U.S.C. 1090, enacted October 3, 1980)

The Department specifically requested that the application forms which are being used for the upcoming academic year delete any questions regarding whether or not the student was applying for Federal student financial assistance or other types of assistance. In the past, in accordance with Sec. 483(a), students who were applying for Federal student financial assistance were not charged a fee. However, since the deletion of that question all students are being charged.

Since a significant number of students have already applied for aid for the 1982-83 school year and many of them have already paid the fee we are questioning, it is imperative that you review this matter as expeditiously as possible. If you are unable to provide us with an opinion by March 20, 1982, please contact Bud Blakey or Maryln McAdam of the Subcommittee staff at 225-8881.

Cordially,


 E. Thomas Coleman
 Ranking Minority Member


 Paul A. Blain
 Chairman

PS:ETC/med

WILLIAM D. FORD
15th District, Michigan

238 Cannon House Office Building
Washington, D.C. 20515
(202) 225-4361

SUPPORT OFFICE:
Federal Building
Worcester, Michigan 49154
(517) 753-1411
20725 Grandview Road
Troy, Michigan 48060
(313) 247-4888



Congress of the United States
House of Representatives
Washington, D.C. 20515

CHAIRMAN
COMMITTEE ON POST OFFICE
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COMMITTEE ON
EDUCATION AND LABOR

SUBCOMMITTEE:
ELEMENTARY, SECONDARY AND
VOCATIONAL EDUCATION
POSTSECONDARY EDUCATION
LABOR-MANAGEMENT RELATIONS

March 8, 1982

MAR 15 1982

Honorable T. H. Bell
Secretary
Department of Education
400 Maryland Avenue, S.W., Suite 4181
Washington, D.C. 20202

Dear Secretary Bell:

In reviewing the College Scholarship Service's Financial Aid Form (FAF) for school year 1982-83, I could not find the provisions by which a student could apply for federal financial assistance without having to pay a fee.

As you know, section 483 of title IV of the Higher Education Act provides that "no student or parent of a student shall be charged a fee" for processing the data elements necessary to determine need and eligibility for federal financial assistance. The Senate Report for the Education Amendments of 1980, which contained section 483, underscored the fact that fees could not be charged for processing the common data elements needed to determine federal student assistance need and eligibility. This "no fee" provision of the Higher Education Act was not changed by the Reconciliation Act, and still remains in force.

Therefore, I am quite surprised that the FAF this year contains no mention of the fact that a student does not have to pay a fee if that student desires to apply only for federal student assistance. Such a student should be provided a check-off option, similar to the previous check-off used for the Basic Grant option. However, the current FAF contains no such check-off option for federal student assistance programs. In fact, the clear implication of the form and the instructions accompanying it is that students must pay a fee for applying for federal student assistance. This is clearly in violation of current federal law.

I would appreciate it if you would review this matter, and take whatever steps you must to correct this violation of federal law. At a minimum, students who have already submitted an application and paid a fee should

be notified that such a fee was not warranted if the application was only for federal assistance, and appropriate rebates should be made.

I look forward to hearing from you soon.

With kind regards, I am

Sincerely yours,

WILLIAM D. FORD
Member of Congress

WDF:bsa

cc: Honorable Carl Perkins
Honorable Paul Simon✓

Application for Federal Student Aid

There are other forms you can use to apply for Federal financial aid. Check with the financial aid administrator at the school you will attend to find out which form you should use.

(1982-1983 School Year)

(Replaces the Basic Grant Application Form)

What Is This Application For?

You can use the form in this booklet as the first step in applying for financial aid from five student assistance programs offered by the U.S. Department of Education. These programs can help you pay for most kinds of education after high school, whether you are attending a professional school, a vocational or technical school, or college. This application is for Federal financial aid for the 1982-83 school year (July 1, 1982—June 30, 1983).

The information on this page will answer some of your questions about these five programs. The instructions will tell you what information you have to provide on the form. If you have any questions after you have read the instructions, talk to your high school counselor or the financial aid administrator at the school you want to attend.

What Are The Five Federal Financial Aid Programs?

— Pell Grants (formerly called Basic Grants)

Pell Grants are awarded to students who need money to pay for their education or training after high school. A Pell Grant is not a loan, so you don't have to pay it back. To get a Pell Grant, you must be an undergraduate who does not already have a Bachelor's degree. You must also go to school at least half-time.

— Supplemental Educational Opportunity Grant (SEOG)

An SEOG is also a grant; you don't have to pay it back. To get an SEOG, you must be an undergraduate who does not already have a Bachelor's degree. Usually you must be going to school at least half-time. However, if a school chooses, it can award SEOG's to a limited number of students who are less than half-time.

— College Work-Study (CW-S)

A CW-S job lets you earn part of your school expenses. These jobs are for both undergraduate and graduate students. Usually you must be going to school at least half-time. However, if a school chooses, it can award CW-S jobs to a limited number of students who are less than half-time.

— National Direct Student Loans (NDSL)

NDSL's are low interest loans made through your school's financial aid office. After you leave school, you must repay this money. These loans are for both undergraduate and graduate students who are going to school at least half-time.

— Guaranteed Student Loans (GSL)

A GSL is a low interest loan made to you by a lender such as a bank, credit union, or savings and loan association. These loans are for both undergraduate and graduate

students who are going to school at least half-time. After you leave school, you must pay this money back.

Who Can Get Aid From These Federal Financial Aid Programs?

To receive financial aid from these programs, you must:

- be a U.S. citizen or an eligible noncitizen
- have financial need (The U.S. Department of Education and your school will use the information you put on this form to determine your need.)
- attend a school that takes part in one or more of the programs
- be enrolled and working toward a degree or certificate

Do All Schools Take Part In These Five Federal Financial Aid Programs?

No. But more than 6,500 colleges, universities, hospital schools of nursing, vocational, and technical schools take part in one or more of them. Contact your school's financial aid administrator to find out which Federal programs your school participates in. Also ask about any State or private aid that might be available.

What Happens After I Mail In This Form?

Within six weeks after you mail in this form, the U.S. Department of Education will send you a Student Aid Report (SAR). On the SAR will be a request for further information or a number called a Student Aid Index (SAI). We use a formula established by law to figure this number from the information you give us on this application or the SAR.

What Is My Student Aid Index (SAI)?

The SAI is a number that tells whether you are eligible for a Pell Grant. If you are eligible the financial aid administrator at your school will use this number to determine the amount of your award. The lower your SAI is, the higher your Pell Grant will be. This number will also help the financial aid administrator determine whether or not you are eligible for aid from the SEOG, NDSL, and CW-S programs. Even if you don't qualify for a Pell Grant, you may still qualify for one or more of the other four programs. Be sure to talk to your financial aid administrator to find out if your school needs any additional information from you for these other four programs.

What Happens If I Don't Get An SAR?

If you don't get an SAR in six weeks, write to:

Federal Student Aid Programs
P.O. Box 92505
Los Angeles, CA 90009

Give your name, address, social security number, and date of birth, and ask for another copy of your SAR. If your address has changed since you sent in your application, be sure to give us both your old and your new address.

What If My Financial Situation Changes?

This application asks mostly about income and expenses for 1981. If your financial situation has recently changed for the worse, you may be able to fill out a Special Condition Application for Federal Student Aid. That application asks mostly about the income and expenses you expect to have in 1982. Contact your financial aid administrator to find out more about the Special Condition Application.

Where Can I Get More Information

On Federal Financial Aid?

This booklet gives you only a brief summary of the five financial aid programs offered by the U.S. Department of Education. Each financial aid program has its own special features and procedures. In addition to the information you can get from your high school counselor or your school's financial aid administrator, you can also find out what each program offers and how it operates by reading the booklet: **The Student Guide: Five Federal Financial Aid Programs, 1982-83.**

To get a free copy, write to:

Federal Student Aid Programs
Rm. 84
Washington, D.C. 20044

DEADLINE: MARCH 15, 1983

We must receive your form by March 15, 1983. However, you should apply as early as possible, because mailing in your form is only the first step in applying for Federal student aid. Schools often have earlier deadlines that you will have to meet.

WARNING: The U.S. Department of Education can check the information you give us on this form through a process called validation. If you are selected for validation, you and/or your parents will have to provide the 1981 U.S., State, or local income tax return, the worksheets in this booklet, and other proof that your information is correct. So it is important that you keep this booklet and these financial records. If you get Federal student aid by giving incorrect information, you will have to pay it back. If you purposely give false or misleading information on your application form, you may get a \$10,000 fine, a prison sentence, or both.

INFORMATION ON THE PRIVACY ACT AND USE OF YOUR SOCIAL SECURITY NUMBER

The Privacy Act of 1974 says that each Federal agency that asks for your social security number or other information must tell you the following:

1. its legal right to ask for the information and whether the law says you must give it;
2. what purpose the agency has in asking for it and how it will be used;
3. what could happen if you do not give it.

Our legal right to require that you provide us with your social security number for the Pell Grant and Guaranteed Student Loan programs is based on Section 7 (a) (2) of the Privacy Act of 1974.

You must give us your social security number to apply for a Pell Grant or a Guaranteed Student Loan. We need the number on this form to be sure we know who you are, to process your application, and to keep track of your record. In addition, we use your social security number in the Pell Grant Program in recording information about your college attendance and progress, in making payments to you directly in case your college does not handle this, and in making sure that you have received your money. If you do not give your social security number, you will not get a Pell Grant or a Guaranteed Student Loan.

We request that you voluntarily give us your social security number if you are using this form only to apply for financial aid under the College Work Study, National Direct Student Loan, and Supplemental Educational Opportunity Grant programs. We use your social security number in processing your application. If you do not give us your social security number, you are not disqualified from receiving financial aid under these three programs.

Our legal right to ask for all information except your social security number is based on sections of the law that authorize the Pell Grant, Supplemental Educational Opportunity Grant, College Work Study, National Direct Student Loan, and Guaranteed Student Loan programs. These sections include sections 411, 413B, 443, 464, 425, 426, and 482 of the Higher Education Act of 1965 as amended.

If you apply or intend to apply for student aid under all five programs you must fill in all parts of the application form except questions 30, 41, & 42. However, if you are not applying or intending to apply for a Guaranteed Student Loan, you need not answer questions 7 and 18 as well as questions 30, 41, & 42. Finally, if you are not applying for a Pell Grant or a Supplemental Educational Opportunity Grant, you need not answer question 8 as well as 30, 41, & 42. If you do not answer question 42, we will count your answer as "no" for that question.

We ask for the information on the form so that we can figure your "student aid index." The student aid index is used to help figure out how much Federal financial aid you will get, if any. If you do not give the required information, you will not get any Federal student financial aid.

We will send your name, address, social security number, date of birth, student aid indices, student status, year in college, and State of legal residence to the colleges you list in question 41 even if you check "No" in question 42. This information will also go to the State scholarship agency in your State of legal residence to help them coordinate State financial aid programs with Federal student aid programs. Also, information may be sent to members of Congress if you or your parents ask them to help with Federal student aid questions. We may also use the information for any purpose which is a "routine use" listed in Appendix B of 54 CFR 5b.

INSTRUCTIONS

Read the instructions as you fill out this form. Most mistakes result from not reading the instructions. Mistakes may delay the processing of your application.

The instructions for this form will usually answer questions that you have. If you need more help, contact a guidance counselor at your high school or the financial aid administrator at the college you plan to attend.

Although other people (besides the student who is applying for aid) may help fill out this form, it is about the student. When we use the words "you" and "your," we always mean the student. When we use the word "college," we mean a college, university, graduate or professional, vocational or technical school, or any other school beyond high school.

Records You Will Need

Get together these records for yourself and your family:

- 1981 U.S. income tax return (IRS Form 1040 or 1040A)
- 1981 State and local income tax returns
- W-2 Forms and other records of money earned in 1981
- Records of nontaxable income, such as veterans' social security, or welfare benefits
- Current bank statements
- Current mortgage information
- Records of medical or dental bills that were paid in 1981
- Business and farm records

Won't file a tax return. If you or your parents won't be filing a U.S. income tax return for 1981, you'll still need to know how much income, if any, was earned in 1981.

Tax return not completed yet. If you or your parents haven't completed a 1981 U.S. income tax return but will be filing one, use a blank tax return or the worksheet on pages 6 and 7 to help you estimate what will be on the tax return. If the official 1981 IRS Form 1040 or 1040A filed for you and your family does not agree with the estimated information reported on lines 21-25 of this application, you must mark the correction on your SAR and resubmit the SAR.

Foreign tax return. If you or your parents filed (or will file) a 1981 income tax return with a central government outside the United States, use the information from that tax return to fill out this form. Convert all figures to U.S. dollars. If you or your parents also filed (or will file) a U.S. income tax return, use information from both the U.S. and the foreign tax return to fill out this form.

Note: Don't report funds that you or your parents received as an award under the Distribution of Judgement Funds Act or the Alaska Native Claims Settlement Act as income or assets. Don't report property as an asset if: (a) it may not be sold or have loans placed against it without the consent of the Secretary of Interior, or (b) the property is held in trust for you or your family by the U.S. government.

When You Fill Out This Form

- Use a pen with black or dark ink; don't use a pencil.
- Print carefully, so that your form will be easy to read.
- Round off figures to the nearest dollar.

If the instructions tell you to skip a question, you can leave it blank. Otherwise, if a question does not apply to you, don't leave it blank. Put a zero in the answer space. For example:

\$ 0.00

This booklet contains two copies of the form. Use one copy as a worksheet, and then be sure to keep it and this booklet for your own records. Your school may ask to see your copy of the form or the worksheets in the booklet to make sure you are getting the right amount of aid.

Section A Student's Information

Write in this section information about the student who is applying for aid.

1. Write in your last name, first name, and middle initial. Print carefully. For example:

Williamson _____
Last

2. Write in the address where you normally will be receiving mail. If you may be moving, be sure to give us your permanent mailing address. Don't use the address of the financial aid office or any other office at a school.

3. Write in your social security number. Carefully copy the number from your social security card.

4. Write in the date you were born. Show the month as a two-digit number. For example, because July is the seventh month, you would write "07" in the boxes for "Month." Write in a two-digit number for the day. The fifth day of the month would be "05." Write in the last two numbers of the year. For example, 1984 would be "84." Therefore, if you were born July 5, 1984, write:

07 - 05 - 84
Month Day Year

5. Write in the two-letter abbreviation for your State of legal residence. Use the State abbreviation list below:

State Abbreviations

AL Alabama	GU Guam	MT Montana	SD South Dakota
AK Alaska	HI Hawaii	NE Nebraska	TN Tennessee
AR Arkansas	ID Idaho	NY New York	TX Texas
AZ Arizona	IL Illinois	NJ New Jersey	UT Utah
CA California	IN Indiana	ND North Dakota	VA Virginia
CO Colorado	KS Kansas	OH Ohio	WV West Virginia
CT Connecticut	LA Louisiana	OK Oklahoma	WY Wyoming
DE Delaware	MA Massachusetts	PA Pennsylvania	
DC District of Columbia	MD Maryland	RI Rhode Island	
FL Florida	MI Michigan	SC South Carolina	
GA Georgia	MN Minnesota		
	MO Missouri		

If your place of residence is not listed above, leave the State abbreviation blank and write the name of the country or territory in the space for city.

6. If you are a U.S. citizen, check box (a) and go on to question 7. Check box (b) if you are one of the following:

- U.S. national
- U.S. permanent resident, and you have an Alien Registration Receipt Card (I-151 or I-551)
- Permanent resident of the Northern Mariana Islands
- Permanent resident of the Trust Territory of the Pacific Islands
- Other noncitizen, and you have one of the following documents from the U.S. Immigration and Naturalization Service:
 - An official statement that you have been granted asylum in the U.S.
 - Arrival-Departure Record (I-94) showing any one of the following designations:
 - (a) "Refugee"
 - (b) "Adjustment Applicant"
 - (c) "Conditional Entrant"
 - (d) "Indefinite Period"

If you cannot check box (a) or (b), you must check box (c). If you check (c), you cannot get Federal student aid. If you are in the U.S. on only an F1 or F2 student visa or only a J1 or J2 exchange visitor visa, you cannot get Federal student aid.

7. Check your year in college from July 1, 1982 to June 30, 1983. Check only one box.
8. Check "No" if you do not have a Bachelor's degree and you will not have one by July 1, 1982.
Check "Yes" if you will have a Bachelor's degree by July 1, 1982. Also, check "Yes" if you will have a degree from a university in another country that is equal to a Bachelor's degree.
9. Check the box for your current marital status.
10. Write in the number of dependent children you have. If you have no dependent children, write in "0".

Section B Student's Status

When we say "parents" in Section B of the form, we mean your mother and/or father, or your adoptive parents. In some cases, we mean a legal guardian who has been appointed by a court. We don't mean foster parents and, for this section, we don't mean stepparents. (But later in the instructions, we will tell you if information about your stepparent is required.)

Before you answer questions 11, 12, and 13, read the descriptions below and check the box next to the one that is true for you.

- ☐ Your parents are both living and married to each other. Answer the questions in Section B about them.
- ☐ Your parents are divorced or separated. Answer the questions in Section B about the parent you lived with most in the last 12 months. For example, if you lived with your mother most, answer questions 11, 12, and 13 about her, and not about your father.

If you didn't live with either parent, or you lived with each parent an equal number of days, answer the questions in Section B about the parent who provided the greater amount of support to you in the last 12 months. (Support includes money, gifts, loans, housing, food, clothes, car, medical and dental care, payment of college costs, etc.)

- ☐ Your parent is widowed or single. Answer the questions in Section B about your widowed or single parent.
- ☐ Your parents are both dead and you don't have an adoptive parent or a legal guardian. Answer "No" to all questions in Section B, and fill in the gray shaded areas on the rest of this form.
- ☐ You have a legal guardian. Answer the questions in Section B about your legal guardian. This is only a person whom a court has (a) appointed to be your legal guardian and (b) directed to support you with his or her own financial resources.
- ☐ You are a ward of the court. Answer "No" to all questions in Section E, and fill in the gray shaded areas on the rest of this form.

Now answer questions 11, 12, and 13 based on which box you checked. Answer all three questions for both 1981 and 1982. If you leave any answer blank, we will count it as "Yes."

11. If you lived in your parents' home for more than six weeks (a total of 42 days) in 1981 or you will in 1982, you must answer "Yes." You must answer "Yes" even if you pay your parents for room and board.
12. If your parents claimed you on their U.S. income tax return for 1981, or if they will claim you for 1982, you must answer "Yes."
13. If your parents gave you more than \$750 worth of support in 1981, or if they will do so in 1982, you must answer "Yes." (Support includes money, gifts, loans, housing, food, clothes, car, medical and dental care, payment of college costs, etc.)

Important Instructions for Sections C, D, & E

If you are married at the time you are filling out this form, consider yourself married for the purpose of deciding which areas of the form you must fill out.

Unmarried students. (Single, separated, divorced, or widowed)

If you answered "Yes" to any of the questions in Section B, you must fill in the red shaded areas on the form with information about your parents. In Section C, answer questions 14-18. In Section D, give financial information about your parents for questions 21-30, but be sure to answer questions 31 and 32 about yourself. In Section E, give financial information about your parents. Don't fill in the gray shaded areas.

If you answered "No" to all six questions in Section B, you must fill in the gray shaded areas on the form with information about yourself. In Section C, answer questions 19 and 20. In Section D, give financial information about yourself, but don't answer questions 31 and 32. In Section E, give financial information about yourself. Don't fill in the red shaded areas.

Married students.

If you answered "Yes" to any of the questions in Section B for the year 1982, you must fill in the red shaded areas on the form with information about your parents. In Section C, answer questions 14-18. In Section D, give financial information about your parents for questions 21-30, but be sure to answer questions 31 and 32 about yourself. In Section E, give financial information about your parents. Don't fill in the gray shaded areas.

If you answered "No" to all three questions in Section B for the year 1982, you must fill in the gray shaded areas on the form with information about yourself and your spouse (your husband or wife). In Section C, answer questions 19 and 20. In Section D, give financial information about yourself and your spouse. Don't answer questions 31 and 32. In Section E, give financial information about yourself and your spouse. Don't fill in the red shaded areas.

Application for Federal Student Aid



School Year 1982-83

Read instructions as you fill out this form

WARNING: If you purposely give false or misleading information on your application form, you may get a \$10,000 fine, a prison sentence, or both.

Section

A Student's Information

1. Student's name

Last	First	M.I.
------	-------	------

2. Student's permanent mailing address
(See page 3 for State abbreviation)

Number and Street	Apt. No.
City	State
Zip Code	

3. Student's social security number

____	____	____
------	------	------

4. Student's date of birth

Month	Day	Year
-------	-----	------

5. Student's State of legal residence

State

6. The student is (a) ☐ a U.S. citizen
(b) ☐ an eligible non-citizen (see instructions)
(c) ☐ neither of the above (see instructions)

8. Will the student have a Bachelor's degree by July 1, 1987?

Yes	No
-----	----

7. Student's year in college during 1982-83
(Check only one box)

- ☐ 1st (freshman)
☐ 2nd (sophomore)
☐ 3rd (junior)
☐ 4th (senior)
☐ 5th (undergraduate)

☐ Beginning graduate or professional beyond a Bachelor's degree
☐ Continuing graduate or professional

9. The student is ☐ unmarried (single, divorced, widowed)
☐ married
☐ separated

10. How many dependent children does the student have?
(If none, write in "0")

Section

B Student's Status

Read the instructions on page 4 to find out who counts as the student's parent before you answer 11, 12, and 13.

11. Do/ or will the student live with the parents for more than six weeks (42 days)?
12. Did or will the parents claim the student as an income tax exemption?
13. Did or will the student get more than \$750 worth of support from the parents?

Yes	No	Yes	No
In 1981?	☐	In 1982?	☐
In 1987?	☐	In 1987?	☐
In 1987?	☐	In 1987?	☐

Unmarried Students (Single, separated, divorced, or widowed)
If you answered "Yes" to any of the questions in Section B, you must fill in the RED shaded areas. DON'T fill in the gray shaded areas.

If you answered "No" to all 6 questions in Section B, you must fill in the GRAY shaded areas. DON'T fill in the red shaded areas.

Married Students
If you answered "Yes" to any of the questions in Section B, for the year 1982, you must fill in the RED shaded areas. DON'T fill in the gray shaded areas.

If you answered "No" to the 3 questions in Section B for the year 1982, you must fill in the GRAY shaded areas. DON'T fill in the red shaded areas.

Section

C Household Information

PARENTS

NOTE: If your parents are separated or divorced, if your parent is widowed or single, or if you have a stepparent, you must read the instructions on page 5 before going on.

14. The parents' current marital status is

☐ single	☐ separated
☐ married	☐ widowed
☐ divorced	

15. The parents' State of legal residence is

16. The age of the older parent is

STUDENT (A SPOUSE)

18. The total size of the student's household during 1982-83 will be
Include the student, spouse, and student's dependent children. Include other people only if they meet the definition in the instructions.

17. The total size of the parents' household during 1982-83 will be
Include the student even if he/she does not live at home. Include parents and parents' other dependent children. Include other people only if they meet the definition in the instructions.

19. Of the number in 17, how many will be in college during 1982-83?
Include the student who is applying for aid and others who will be in college at least half-time.

20. Of the number in 19, how many will be in college during 1982-83?
Include the student who is applying for aid and others who will be in college at least half-time.

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Section

D Income and Expense Information

- If you will file or have filed a 1981 U.S. income tax return, go to 21.
 • If you will not file a 1981 U.S. income tax return, skip to 26.

TAX FILERS ONLY

21. The following 1981 U.S. income tax return figures are: ☐ from a completed return ☐ estimated (See instructions.)

22. 1981 total number of exemptions (Form 1040, line 8g or 1040A, line 6):

23. 1981 income from IRS Form 1040, line 31 or Form 1040A, line 10 (Use worksheet on page 5.) \$

24. a. 1981 U.S. income tax paid (Form 1040, line 47 or 1040A, line 15a): \$
 b. 1981 State and local income taxes paid: \$

25. 1981 itemized deductions (Form 1040, Schedule A, line 30; *Write "0" if deductions were not itemized.*) \$
 a. Father \$
 b. Mother \$

26. 1981 income earned from work by: a. Father \$
 b. Mother \$

27. 1981 other income and benefits: a. Social security benefits (Don't include the student's benefits.) \$
 b. Aid to Families with Dependent Children (AFDC or ADC) \$
 c. All other 1981 income and benefits (Child support, disability income, etc.) (Use worksheet on page 6.) \$

28. 1981 medical and dental expenses not paid by insurance \$

29. 1981 elementary, junior high, and high school tuition paid (Don't include tuition paid for the student.) \$

30. Expected 1982 taxable and nontaxable income and benefits (See instructions.) \$

• If you are filling in the red shaded areas, answer 31 and 32 about the student. (Use the worksheets in the instructions to figure out the answer.)

31. Student's (a spouse's) total 1981 income minus U.S. State, and local income taxes paid: \$

32. Student's (a spouse's) savings and net assets: \$

PARENTS**STUDENT (a Spouse)**

21. ☐ from a completed return ☐ estimated

22.

23. \$

24a. \$
 b. \$

25. \$

26a. Student \$
 b. Spouse \$

27a. ☒ ☒ ☒ ☒
 b. \$
 c. \$
 28. \$
 29. \$

If you are filling in the gray shaded areas, skip to Section E.
 Don't answer 30, 31, and 32.

Section

E Asset Information

	PARENTS		STUDENT (a Spouse)	
	What is it worth now?	What is owed on it?	What is it worth now?	What is owed on it?
33. Cash, savings, and checking accounts	\$	\$	\$	\$
34. Home (Renters write in "0")	\$	\$	\$	\$
35. Other real estate and investments	\$	\$	\$	\$
36. Business and farm	\$	\$	\$	\$

Section All students must fill in Sections F and G.

F Student's (& Spouse's) Expected Income and Benefits

37. a. Student's taxable income (Don't include student financial aid): Summer 1982 \$ 9 months \$
 b. Spouse's taxable income (Don't include student financial aid): 3 months \$ 9 months \$
 July 1, 1982 - June 30, 1983
 Amount per month \$ Number of months
 Amount per month \$ Number of months
 Amount for July 1, 1982 to June 30, 1983 \$

38. Social security benefits for student, spouse, and dependent children

39. Veterans educational benefits (Include only the student's benefits from the G. Bill and Dependent Educational Assistance Program. Don't include VA Contributory Benefits.)

40. Other income and benefits of student (a spouse) (Don't include student financial aid or any of the income or benefits given in 37, 38, & 39.)
 Amount for July 1, 1982 to June 30, 1983 \$

Section

G Colleges, Release, and Certification

41. Student's college for the 1982-83 school year

1. Name of College
 City State

2. Name of College
 City State

Dept of Ed
 Use Only

42. Do you give the U.S. Department of Education permission to send information from this application to:

- a. the financial aid agency in your State? Yes ☐ No ☐
 b. the colleges listed in 41? Yes ☐ No ☐

NOTE: Answering "Yes" to 42 a and 42 b will not meet the requirements of most States and colleges for applying for financial aid (See instructions.)

43. Certification: All of the information on this form is true and accurate to the best of my knowledge. I signed it as the parent or legal guardian of the student. I am not a student of the 1981-82 U.S. State or local income tax return. I also certify that I will not be in receipt of financial aid from the student's college for the 1982-83 school year.

SIGN:

Student Student's Spouse Date completed

Father Mother month day year

Mail this form to: Federal Student Aid Programs, P.O. Box 99406, Los Angeles, CA 90009-9406

Application for Federal Student Aid



School Year 1982-83

Read instructions as you fill out this form.

WARNING: If you purposely give false or misleading information on your application form, you may get a \$10,000 fine, a prison sentence, or both.

Section

A Student's Information

1. Student's name

Last _____ First _____ M.I. _____

2. Student's permanent mailing address
(See page 3 for State abbreviation)

Number and Street _____ Apt. No. _____
City _____ State _____ Zip Code _____

3. Student's social security number

_____-_____-_____-_____-_____-_____-

4. Student's date of birth

Month _____ Day _____ Year _____

5. Student's State of legal residence

State _____

6. The student is (a) ☐ a U.S. citizen
(b) ☐ an eligible non-citizen (see instructions)
(c) ☐ neither of the above (see instructions)

8. Will the student have a Bachelor's degree by July 1, 1987?
☐ Yes
☐ No

7. Student's year in college during 1982-83
(Check only)

- ☐ 1st (freshman)
☐ 2nd (sophomore)
☐ 3rd (junior)
☐ 4th (senior)
☐ 5th (undergraduate)

- ☐ Beginning graduate or professional (beyond a Bachelor's degree)
☐ Continuing graduate or professional

9. The student is ☐ unmarried (single, divorced, widowed)
☐ married
☐ separated

10. How many dependent children does the student have?
(If none, write in "0") _____

Section

B Student's Status

Read the instructions on page 4 to find out who counts as the student's parent before you answer 11, 12, and 13.

11. Did or will the student live with the parents for more than six weeks (62 days)
12. Did or will the parents claim the student as an income tax exemption
13. Did or will the student get more than \$750 worth of support from the parents

	Yes	No		Yes	No
In 1981?	☐	☐	In 1982?	☐	☐
In 1987?	☐	☐	In 1987?	☐	☐
In 1987?	☐	☐	In 1987?	☐	☐

Unmarried Students (Single, separated, divorced, or widowed)

If you answered "Yes" to any of the questions in Section B, you must fill in the RED shaded areas. DON'T fill in the gray shaded areas.

If you answered "No" to all 3 questions in Section B, you must fill in the GRAY shaded areas. DON'T fill in the shaded areas.

Married Students

If you answered "Yes" to any of the questions in Section B, for the year 1982, you must fill in the RED shaded areas. DON'T fill in the gray shaded areas.

If you answered "No" to the 3 questions in Section B for the year 1982, you must fill in the GRAY shaded areas. DON'T fill in the red shaded areas.

Section

C Household Information

PARENTS

NOTE: If your parents are separated or divorced, if your parent is widowed or single, or if you have a stepparent, you must read the instructions on page 5 before going on.

14. The parents' current marital status is

- ☐ single
☐ married
☐ divorced
☐ separated
☐ widowed

15. The parents' State of legal residence is

_____-

16. The age of the older parent is

_____-

STUDENT (A SPOUSE)

19. The total size of the student's household during 1982-83 will be _____
Include the student, spouse, and student's dependent children. Include other people only if they meet the definition in the instructions.

17. The total size of the parents' household during 1982-83 will be _____
Include the student even if he/she does not live at home. Include parents and parents' other dependent children. Include other people only if they meet the definition in the instructions.

18. Of the number in 17, how many will be in college during 1982-83? _____
Include the student who is applying for aid and others who will be in college at least half-time.

20. Of the number in 19, how many will be in college during 1982-83? _____
Include the student who is applying for aid and others who will be in college at least half-time.

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Section

D Income and Expense Information

- If you will file or have filed a 1981 U.S. income tax return, go to 21.
 • If you will not file a 1981 U.S. income tax return, skip to 26.

TAX FILERS ONLY

21. The following 1981 U.S. income tax return figures are (See instructions.) ☐ From a completed return ☐ Estimated

22. 1981 total number of exemptions (Form 1040, line 8; or 1040A, line 6):

23. 1981 income from IRS Form 1040, line 31 or Form 1040A, line 16 (Use worksheet on page 6.) \$.00

24. a. 1981 U.S. income tax paid (Form 1040, line 47 or 1040A, line 15a) \$.00
 b. 1981 State and local income taxes paid \$.00

25. 1981 itemized deductions (Form 1040, Schedule A, line 39) (Write "0" if deductions were not itemized.) \$.00

26. 1981 income earned from work by: ☐ a. Father \$.00 ☐ b. Mother \$.00

27. 1981 other income and benefits
 a. Social security benefits (Don't include the student's benefits.) \$.00
 b. Aid to Families with Dependent Children (AFDC or ADC) \$.00
 c. All other 1981 income and benefits (Child support, disability income, etc.) (Use worksheet on page 6.) \$.00

28. 1981 medical and dental expenses not paid by insurance \$.00

29. 1981 elementary, junior high, and high school tuition paid (Don't include tuition paid for the student) \$.00

30. Expected 1982 taxable and nontaxable income and benefits (See instructions.) \$.00

• If you are filling in the red shaded areas, answer 31 and 32 about the student. Use the worksheets in the instructions to figure out the answers.

31. Student's (a spouse's) total 1981 income minus U.S., State, and local income taxes paid \$.00

32. Student's (a spouse's) savings and net assets \$.00

PARENTS**STUDENT (a Spouse)**

21. ☐ From a completed return ☐ Estimated

22.

23. \$.00

24a. \$.00

b. \$.00

25. \$.00

26a. Student \$.00

b. Spouse \$.00

27a. ☒ ☒ ☒ ☒ ☒

b. \$.00

c. \$.00

28. \$.00

29. \$.00

If you are filling in the gray shaded areas, skip to Section E.
 Don't answer 30, 31, and 32.

Section

E Asset Information

PARENTS What is it worth now? What is it owed on it? **STUDENT (a Spouse)** What is it worth now? What is it owed on it?

33. Cash, savings, and checking accounts \$.00 \$.00 \$.00 \$.00

34. Home (Renters, write in "0") \$.00 \$.00 \$.00 \$.00

35. Other real estate and investments \$.00 \$.00 \$.00 \$.00

36. Business and farm \$.00 \$.00 \$.00 \$.00

Section: All students must fill in Sections F and G.

F Student's (a Spouse's) Expected Income and Benefits

37. a. Student's taxable income (Don't include student financial aid.) Summer 1982 School Year 1982-83
 3 months \$.00 9 months \$.00
 b. Spouse's taxable income (Don't include student financial aid.)
 3 months \$.00 9 months \$.00
 July 1, 1982 - June 30, 1983

38. Social security benefits for student, spouse, and dependent children Amount per month \$.00 Number of months

39. Veterans educational benefits (Include only the student's benefits from the GI Bill and Dependents Educational Assistance Program. Don't include VA Contributory Benefits.) Amount per month \$.00 Number of months

40. Other income and benefits of student (a spouse) (Don't include student financial aid or any of the income or benefits given in 37, 38, & 39.) Amount for July 1, 1982 to June 30, 1983 \$.00

Section

G Colleges, Release, and Certification

41. Student's college for the 1982-83 school year

1. Name of College State
 City

2. Name of College State
 City

43. Certification: All of the information on this form is true and correct to the best of my knowledge. I warrant as a responsible official, I agree to pay a part of the educational costs of this student if he or she enrolls in college. I understand that the U.S. State or local college authorities may require that I do not pay more than my share of the cost of the student's education.

Dept. of Ed. Use Only

42. Do you give the U.S. Department of Education permission to send information from this application to:

- a. the financial aid agency in your State? Yes ☐ No ☐
 b. the colleges listed in 41? Yes ☐ No ☐

NOTE: Answering "Yes" to 42 a and 42 b will meet the requirements of most States and colleges for applying for financial aid. (See instructions.)

SIGN:

Student Date completed

Father Mother

Mail this form to: Federal Student Aid Programs, P.O. Box 91496, Los Angeles, CA 90009-2496

Section C Household information

Parents' information—red areas

Fill in this section with information about your parents.

If your parents are separated or divorced, or if your parent is widowed or single, Give information only about the parent that you counted in Section B. If that parent has married or remarried, read the next paragraph.

If you have a stepparent, If the parent that you counted in Section B has married or remarried, you must also include information about your stepparent if either:

- you lived with your stepparent (and parent) for more than six weeks (a total of 42 days) in 1981, or will in 1982,
- or
- you got or will get more than \$750 in support from your stepparent in 1981 or 1982.

If you are reporting information about your stepparent, note that whenever we say "parents" on the rest of this form, we also mean your stepparent.

11. Check the box for your parents' current marital status.

Show the current marital status of the people that you give information about on this form. For example, if you must give information about your mother and stepfather, check the box that says "married," because your mother and stepfather are married.

15. Write in the two-letter abbreviation for your parents' State of legal residence. See the list of State abbreviations on page 3.

16. Write in the age of your older parent.

17. Write in the number of people that your parents will support between July 1, 1982 and June 30, 1983. Include your parents, yourself, and your parents' other dependent children. If you (the student) have dependent children, also include them. Include other people only if they now live with and get more than half of their support from your parents and will continue to get this support between July 1, 1982 and June 30, 1983. Don't include your (the student's) spouse.

18. Write in the number of people from question 17, including yourself, who will be going to college or other schools beyond the high school level between July 1, 1982 and June 30, 1983. To be included here, each student must be enrolled at least half-time. Half-time means the student is taking at least 6 credit hours per term. If the school uses clock hours, the student must be attending at least 12 clock hours per week.

Student's (& spouse's) information—gray shaded areas

Fill in this section with information about yourself (and your spouse). If you are divorced or separated, don't include information about your spouse.

19. Write in the number of people that you (and your spouse) will support between July 1, 1982 and June 30, 1983. Include yourself, your spouse, and your dependent children. Include other people only if they now live with and get more than half of their support from you (and your spouse), and will continue to get this support between July 1, 1982 and June 30, 1983.

20. Write in the number of people from question 19, including yourself, who will be going to college or other schools beyond the high school level between July 1, 1982 and June 30, 1983. To be included here, each student must be enrolled at least half-time. Half-time means the student is taking at least 6 credit hours per term. If the college uses clock hours, the student must be attending at least 12 clock hours per week.

Section D Income and Expense information

If your parents filed or will file a 1981 U.S. income tax return, fill in the answers in this section using your parents' 1981 U.S. income tax return (IRS Form 1040 or 1040A) or other financial records. Make sure you answer all of the questions in the section marked "TAX FILERS ONLY." If you are giving information for only one parent, and that parent filed (or will file) a joint tax return for 1981, give only that parent's portion of the income and expenses asked for in questions 22-26. Answer questions 31 and 32 about yourself.

If your parents did not and will not file a 1981 U.S. income tax return, skip questions 21-25, and answer questions 26-30, using your parents' financial records. The kinds of records we mean are: statements of income that your parents earned in 1981 and statements of nontaxable income that your parents got in 1981 (like social security, disability, and welfare benefits). Answer questions 31 and 32 about yourself.

If you (and your spouse) filed or will file a 1981 U.S. income tax return, fill in the answers in this section using your (and your spouse's) 1981 U.S. income tax return (IRS Form 1040 or 1040A) or other financial records. Make sure you answer all of the questions in the section marked "TAX FILERS ONLY." If you are divorced, separated, or widowed, and you filed (or will file) a joint tax return for 1981, give only your portion of the income and expenses asked for in questions 22-26. Don't answer questions 30, 31, and 32.

If you (and your spouse) did not and will not file a 1981 U.S. income tax return, skip questions 21-25, and answer questions 26-29 using your (and your spouse's) financial records. The kinds of records we mean are: statements of income that you (and your spouse) earned in 1981 and statements of nontaxable income that you (and your spouse) got in 1981 (like social security, disability, and welfare benefits). Don't answer questions 30, 31, and 32.

21. Tax return figures

Check the box that says "from a completed return" if the 1981 U.S. income tax return has been filled out. For questions 22 through 25 you should copy the answers from the tax return.

Check the box that says "estimated" if the 1981 income tax return has not been filled out. For questions 22 through 25 you must write in the figures that will be on the tax return. Use a blank 1981 U.S. income tax return to help you answer these questions. Use the worksheet on page 6 to figure out your answer for question 23.

Important:

When figuring your income, don't include any earnings from student financial aid programs, such as College Work-Study. If a number that you copy from a U.S. income tax return includes such earnings, subtract them before you write in that number.

22. Total number of exemptions for 1981

Write in the number from Form 1040, line 6e or 1040A, line 6.

23. Income for 1981 from U.S. tax return

If a U.S. income tax return for 1981 has been completed, write in the number from Form 1040, line 31 or 1040A, line 10.

If a U.S. income tax return for 1981 has not been completed, use the worksheet below.

Worksheet for question 23

Wages, salaries, tips, etc. (Don't include student financial aid)	\$ <u>00</u>
Interest and dividend income after IRS exclusion	+ <u>00</u>
Other taxable income (summary received, business and farm income, capital gains, pensions, annuities, rents, and all other taxable income)	+ <u>00</u>
Add all of the numbers in the column.	= <u>00</u>
Subtract any adjustments to income (moving expenses, employee business expenses, payments to IRA and Keogh accounts, interest penalty on early withdrawal of savings, alimony paid, and income received for permanent and total disability)	- <u>00</u>
This is your answer for question 23. TOTAL	\$ <u>00</u>

24. a. U.S. Income tax paid for 1981

Write in the number from Form 1040, line 47 or 1040A, line 15a. Make sure this number doesn't include any FICA, self-employment, or other taxes. Don't copy the amount of "Federal income tax withheld" from a W-2 Form.

b. State and local income taxes paid for 1981

Write in the total amount of State and local income taxes actually paid for 1981. This is the amount withheld minus any refund, or the amount withheld plus any additional amount due. Don't count sales, property, or any other taxes that are not taxes on income.

25. Itemized deductions for 1981

Write in the number from Form 1040, Schedule A, line 39. If deductions were not itemized or if a Form 1040A was filed, write in "0." (Business or farm owner: don't use numbers from Schedule C or F.)

26. Income earned from work in 1981

Write in the amount of income earned from work in 1981 by (a) your father and (b) your mother.

If you skipped questions 21 through 25, include your parents' earnings from work in 1981.

If you answered questions 21 through 25, include the "Wages, salaries, tips, etc." from your parents' Form 1040, line 7 or 1040A, line 7. If your parents own a business or farm, also add in the numbers from Form 1040, lines 11 and 18.

Write in the amount of income earned from work in 1981 by (a) you and (b) your spouse.

If you skipped questions 21 through 25, include your (and your spouse's) earnings from work in 1981.

If you answered questions 21 through 25, include the "Wages, salaries, tips, etc." from your (and your spouse's) Form 1040, line 7 or 1040A, line 7. If you (or your spouse) own a business or farm, also add in the numbers from Form 1040, lines 11 and 18.

27. Other income and benefits for 1981**a. Social security benefits for 1981**

Write in the amount of social security benefits (including Supplemental Security Income) that your parents got in 1981. Be sure to include the amounts that your parents got for their children under age 18. But don't include your benefits, even if they are part of your parents' social security check.

This question does not apply to you. Go on to 27b.

b. Aid to Families with Dependent Children (AFDC or ADC) for 1981

Write in the total amount of benefits that your parents got in 1981 from Aid to Families with Dependent Children. (These are usually called either AFDC or ADC benefits.)

Write in the total amount of benefits that you (and your spouse) got in 1981 from Aid to Families with Dependent Children. (These are usually called either AFDC or ADC benefits.)

c. All other income and benefits for 1981

Add up your parents' other income and benefits for 1981. Use the worksheet below.

Add up your (and your spouse's) other income and benefits for 1981. Use the worksheet below.

Worksheet for question 27c

Child support received	\$ <u>00</u>
Welfare benefits (except AFDC or ADC)	+ <u>00</u>
Unemployment compensation (Don't include any amount that you included in question 23.)	+ <u>00</u>
Railroad Retirement Benefits	+ <u>00</u>
Disability income	+ <u>00</u>
Veterans benefits except educational benefits (Include Death Pension & Dependency and Indemnity Compensation (DIC) benefits.)	+ <u>00</u>
Interest on tax-free bonds	+ <u>00</u>
IRS interest and dividend exclusion	+ <u>00</u>
Un taxed portion of pensions & capital gains	+ <u>00</u>
Housing, food, & other living allowances for military, clergy, & others (include cash payments and cash value of benefits.)	+ <u>00</u>
Any other income and benefits (Don't include the types listed below.)	+ <u>00</u>
This is your answer for question 27c. TOTAL	\$ <u>00</u>

Don't include:

- Any income reported in questions 23, 24a and b, and 27a and b
- Money from student financial aid programs (educational loans, work study earnings, grants, or scholarships)
- Veterans benefits for education (GI Bill, Dependents Educational Assistance Program, or VA Contributory Benefits)
- "Adjustments to Income" reported on the 1981 U.S. income tax return (Form 1040, line 26)
- Gifts and support, other than money, received from friends or relatives
- Food stamps or tax-sheltered or deferred annuities.

You must keep this worksheet. Don't send it in with your application form, because you may be asked to refer to it later to verify the information on your application. It may also help you to show that your SAR is accurate.

28. Medical and dental expenses in 1981 not paid by insurance

Write in the amount of money that your parents paid in 1981 for medical and dental expenses. Don't include amounts covered by insurance or the cost of insurance premiums. If your parents itemized deductions on their 1981 U.S. income tax return, write in the total of lines 2 and 6a, b, c, and d of Form 1040, Schedule A.

Write in the amount of money that you (and your spouse) paid in 1981 for medical and dental expenses. Don't include amounts covered by insurance or the cost of insurance premiums. If you (and your spouse) itemized deductions on your 1981 U.S. income tax return, write in the total of lines 2 and 6a, b, c, and d of Form 1040, Schedule A.

29. Elementary, junior high, and high school tuition paid in 1981

Write in the amount of money that your parents paid in 1981 for elementary, junior high, and high school tuition for their children. (Tuition doesn't include room and board.) Don't include any tuition that your parents paid for you, or any tuition for preschool or college. Also, don't include tuition paid by scholarships.

Write in the amount of money that you (and your spouse) paid in 1981 for elementary, junior high, and high school tuition for your children. (Tuition doesn't include room and board.) Don't include any tuition that you paid for yourself, or any tuition for preschool or college. Also, don't include tuition paid by scholarships.

Then, skip to Section E.

30. Expected 1982 taxable and nontaxable income and benefits

Write in the total amount of taxable and nontaxable income and benefits that your parents expect to get in 1982. Include the types of income that were asked for in questions 23 and 27a, b, and c. If you skipped questions 21 through 25, include the types of income that we asked for in questions 26a and b, and 27a, b, and c.

31. Student's (and spouse's) 1981 income

Use this worksheet to figure the student's (and, if married, spouse's) 1981 income. If the student is divorced, separated, or widowed, don't include information for the spouse.

Worksheet for question 31

Student's 1981 earnings from work (Don't include work-study earnings.)	\$ <u>00</u>
Spouse's 1981 earnings from work (Don't include work-study earnings.)	+ <u>00</u>
Other 1981 taxable & nontaxable income—interest, dividends, AFDC or ADC, etc. (Don't include veterans educational benefits, social security benefits, or student financial aid.)	+ <u>00</u>
Add all the numbers in the column.	= <u>00</u>
Subtract 1981 U.S., State, and local income taxes paid by student (& spouse).	- <u>00</u>
This is your answer for question 31. TOTAL	\$ <u>00</u>

32. Student's (and spouse's) assets

Use this worksheet to figure the student's (and, if married, spouse's) assets. If the student is divorced or separated, don't include information for the spouse.

Worksheet for question 32

Amount in cash, savings, & checking accounts (Don't include money from student financial aid programs.)	\$ <u>00</u>
Real estate & investments other than the home you live in (See instruction for question 35.)	
What is it worth now? What is owed on it?	
\$ <u>00</u> - <u>00</u>	= <u>00</u>
Business & farm (See instruction for question 36.)	
What is it worth now? What is owed on it?	
\$ <u>00</u> - <u>00</u>	= <u>00</u>
Add all numbers in the right-hand column. This is your answer for question 32. TOTAL	\$ <u>00</u>

Section E Asset Information

You must give information about your parents' assets in questions 33 through 36. Don't include money from student financial aid programs, such as grants, loans, and work-study. If you are giving information for only one parent and that parent has jointly owned assets, give only that parent's portion of the assets and debts.

You must give information about your (and your spouse's) assets in questions 33 through 36. Don't include money from student financial aid programs, such as grants, loans, and work-study. If you are divorced or separated and you have jointly owned assets, give only your portion of the assets and debts.

Don't include personal or consumer loans, or any debts that are not related to the assets listed.

33. Cash, savings, and checking accounts

Write in the amount of money that is in cash, savings, and checking accounts today.

34. Home

Write in how much the home is worth today. Use the realistic price at which the home could be sold. Don't use assessed, insured, or tax value. A "home" includes a house, mobile home, condominium, etc. Renters, write in "0."

Then, write in how much is owed on the home, including the present mortgage and related debts on the home. (Don't include interest due.) Check with the mortgage company if you don't know.

35. Other real estate and investments

Write in how much other real estate and investments are worth today. Investments include trust funds, money market funds, stocks, bonds, other securities, commodities, precious and strategic metals, etc.

Then, write in how much is owed on other real estate and investments.

36. Business and farm

Write in how much the business and farm are worth today. Include the value of land, buildings, machinery, equipment, livestock, inventories, etc. Don't include how much the home is worth. (Home value should be given in question 34.)

20

Then, write in what is owed on the business and farm. Include only the present mortgage and related debts for which the business and farm were used as collateral.

If your parents are not the sole owners, write in only their share of the total business and farm value and debt.

If you (and your spouse) are not the sole owners, write in only your (and your spouse's) share of the total business and farm value and debt.

All students must fill in Sections F & G

Section F Student's (& Spouse's) Expected Income and Benefits

Questions 37-40 ask about income and benefits that you expect to get. Answer these questions as accurately as you can. If a question doesn't apply to you, or if you don't expect to get any income or benefits from that source, don't leave it blank; write in "0."

37. a. & b. Taxable Income

Write in the total amount of taxable income that (a) you and (b) your spouse expect to get during the 3-month summer of 1982 and the 9-month school year of 1982-83.

Include:

- Wages, salaries, and tips
- Interest and dividend income
- Any other income that will be earned or taxed

Don't include income from a job that you (or your spouse) will get from student financial aid programs, such as CW-S.

38. Social security benefits

Write in the amount of social security benefits (including Supplemental Security Income) that you will get per month from July 1, 1982 through June 30, 1983, and the number of months during this time that you will get these benefits. Include benefits for yourself, your spouse, and your dependent children. If you're not sure how much you will get, contact the Social Security Administration.

39. Veterans educational benefits

Write in the amount of veterans educational benefits that you will get per month from July 1, 1982 through June 30, 1983, and the number of months during this time that you will get these benefits. Include only what you (the student) will get from the GI Bill and Dependents Educational Assistance Program. If you are not sure how much you will get, contact the Veterans Administration.

Don't include Death Pension, Dependency and Indemnity Compensation (DIC), VA Contributory Benefits, or your spouse's GI Bill.

40. Other income and benefits

Write in the amount of other income and benefits that you (and your spouse) expect to get from July 1, 1982 through June 30, 1983.

Include:

- Child support received for your children
- Aid to Families with Dependent Children (AFDC or ADC)
- Welfare benefits
- Unemployment compensation (Don't include any unemployment compensation that you included in question 37a or 37b.)
- Railroad Retirement Benefits
- Disability income

- Veterans benefits, such as Death Pension and Dependency and Indemnity Compensation (DIC) benefits (Don't include the benefits that you gave in question 39 or VA Contributory Benefits.)

- Spouse's GI Bill

- Interest on tax-free bonds

- Untaxed portions of pensions and capital gains

- Housing, food, and other living allowances for military, clergy, and others (Include cash payments and cash value of benefits.)

- Any other income and benefits

Don't include food stamps, money from student financial aid programs (educational loans, work study earnings, grants, or scholarships), or any of the income or benefits that you reported in 37, 38, and 39.

Section G Colleges, Release, & Certification

41. Write in the name, city, and State of the college that you will be going to during the 1982-83 school year. Use the first two lines under 41 (#1). If you are considering more than one college, write in on the first two lines the name and address of the college that you are most likely to attend. Use the next two lines (#2) for the name and address of the college you are most likely to attend if you don't attend the first one. If you don't know yet which colleges you are interested in, you may leave this question blank.

42. a. Check "Yes" if you give us permission to send information from this form to the financial aid agency in your State. Some State agencies may ask for this information. They may use it to help decide whether you will get a State award, and to check to see if you reported correct information on your State student aid application.

Check "No" if you don't want us to send information from this form to the financial aid agency in your State. If you check "No," your State aid may be delayed, but it will have no effect on your Federal aid.

42. b. Check "Yes" if you give us permission to send information from this form to the colleges that you listed in question 41. Many colleges use this information to help estimate the amount of your financial aid package.

Check "No" if you don't want us to send information from this form to the colleges that you listed in question 41.

43. You must sign this form. If you are married, your spouse must sign this form. If you filled in the red shaded areas, at least one of your parents must also sign this form. Everyone signing this form is saying that all information on the form is correct and that they are willing to give documents (such as a copy of their 1981 U.S., State, or local income tax returns, to prove that the information is correct.

Sending in Your Form

Double-check your form, to make sure it is complete and accurate. Be sure it has the necessary signatures.

Put the form in the envelope that comes with this booklet. You don't have to send any money. Don't put letters, tax forms, worksheets, or any extra materials in the envelope; this will only slow down the processing of your application.

Also include the postcard that comes with this booklet.

As soon as we receive your application, we will mail the postcard back to you, stamped with the date you should expect to receive your SAR. If you don't receive the postcard within four weeks, send us another application form.

Basic Grant Application Form

1981-82 School Year

You can use the form in this booklet to apply for a Basic Educational Opportunity Grant (Basic Grant) for the 1981-82 school year (July 1, 1981-June 30, 1982). Basic Grants are awarded to students who need money for their education after high school. A Basic Grant is not a loan, so you don't have to repay it.

Your need for a Basic Grant will be figured out by the Basic Grant Program, using a formula established by law. In 1981-82, the amount of a Basic Grant will be between \$200 and \$1,900. The actual dollar amount of your Basic Grant depends on:

- your eligibility index
- whether you are a full-time or part-time student
- how much it costs to go to your college
- how long you will be enrolled between July 1, 1981 and June 30, 1982.

The instructions in this booklet will answer most of your questions about the Basic Grant Program. If you still have questions after you have read the instructions, talk to your high school counselor or the financial aid administrator at the college you want to attend.

Who can get a Basic Grant?

To get a Basic Grant, you must be:

- a U.S. citizen or an eligible noncitizen
- an undergraduate student who does not yet have a Bachelor's degree
- going to college at least half-time
- enrolled in a college that takes part in the Basic Grant Program.

If you meet all of these requirements, you may be eligible to get a Basic Grant award.

I've already filled out a different student aid form. Do I have to fill out this one too?

Maybe not. There are other forms that you can use to apply for a Basic Grant and other student aid:

- Family Financial Statement (FFS)
- Financial Aid Form (FAF)
- Pennsylvania Higher Education Assistance Agency (PHEAA) Form
- Student Aid Application for California (SAAC)

Each of these forms has a box for you to check if you want to apply for a Basic Grant. If you checked that box, you have already applied for a Basic Grant and you don't need to fill out this form.

What if I want to apply only for a Basic Grant?

If you plan to apply only for a Basic Grant, you should use the form in this booklet, not one of the other forms. It won't cost you anything to apply only for a Basic Grant.

What happens after I mail in this form?

Within six weeks after you mail your form, we will send you a Student Eligibility Report (SER). On the SER there will be a number called an eligibility index. We figure this number from the information you give us on your application. It helps us decide whether you can get a grant—and if so, how much. The lower the number, the higher the award.

Be sure to read all the instructions that come with the SER. They will tell you what to do next to get a Basic Grant.

If you do not get a SER in six weeks, write to:

Basic Grants
P.O. Box 92864
Los Angeles, CA 90009

Give your name, address, social security number, and date of birth, and ask for another copy of your SER. If your address has changed since you sent in your application, be sure to give us your new address.

What if my financial situation changes?

The Basic Grant Application Form asks mostly about income and expenses for 1980. If your financial situation has recently changed for the worse, you may be able to fill out a Special Condition Form. That form asks mostly about the income and expenses you expect to have in 1981. Read page 8 of this booklet to find out more about the Special Condition Form.

Deadline: March 15, 1982

We must receive your application by March 15, 1982. However, you should apply as early as possible because mailing in your application is only the first step to getting a Basic Grant. There are other deadlines that you will have to meet.

Warning

You must be very careful to give us information that is correct. If you get a Basic Grant by giving incorrect information, you will have to pay it back. Also, if you purposely give false or misleading information on your application form, you may get a \$10,000 fine, a prison sentence, or both.

The Basic Grant Program can check the information you give on this form through a process called validation. You may be chosen for validation. This means that the Basic Grant Program or your financial aid administrator can ask you and your parents to provide the 1980 U.S. income tax return and other proof that your information is correct. If you are asked for proof and you refuse, you will not get a Basic Grant.

If you are chosen for validation, you will need to refer to all of the financial records you used to fill out this application form. These records include the 1980 tax return, the worksheets in this booklet, and statements of nontaxable income. So it is important that you keep this booklet and these financial records.

Information on the Privacy Act and use of your social security number

The Privacy Act of 1974 says that each Federal agency that asks you for your social security number or other information must tell you the following:

- (1) its legal right to ask for the information and whether the law says you must give it;
- (2) what purpose the agency has in asking for it and how it will be used;
- (3) what could happen if you do not give it.

Our legal right to ask for your social security number is in section 7(a)(2) of the Privacy Act of 1974.

You must give us your social security number in order to apply for a Basic Grant. We need the number to be sure we know who you are, to process your application, and to keep track of your record. We use your social security number in recording information about your college attendance and progress, in making payments to you directly, in case your college does not handle this, and in making sure that you have received your money. If you do not give your social security number, you will not get a Basic Grant.

Our legal right to ask for all information except your social security number is the law that authorizes the Basic Grant Program. That law is Title IV-A-1 of the Higher Education Act of 1965, as amended.

To apply for a Basic Grant, you must fill in all parts of the application form except questions 5, 6, 14, 15, 30, 37, 41, and 42. These added questions are used to help State student financial aid programs and colleges give aid, financial aid including, at some colleges, aid through the College Work Study, National Direct Student Loan, and Supplemental Educational Opportunity Grant Programs. If you do not answer question 42, we will count your answer as "No" for that question.

We ask for the information on the form so that we can figure your eligibility index. We use the eligibility index to help decide how large a grant you will get, if any. If you do not give the required information, you will not get a Basic Grant.

We will send your name, address, social security number, date of birth, and eligibility index to the colleges you list in question 41. This information will also go to the State scholarship agency in your State of legal residence, to help them coordinate State financial aid programs with the Basic Grant Program. Also, information may be sent to Members of Congress if you or your parents ask them to help with Basic Grant questions. We may also use the information for any purpose which is a "routine use" listed in Appendix B of 45 CFR 58.

Instructions

The instructions for this form will usually answer questions that you have. If you need more help, contact a guidance counselor at your high school or the financial aid administrator at the college you plan to attend.

Although other people (besides the student who is applying for aid) may help fill out this form, it is about the student. When we use the words "you" and "your," we always mean the student. When we use the word "college," we mean a college, university, vocational or technical school, or any other school beyond high school.

Records You Will Need

Get together these records for yourself and your family:

- 1980 U.S. income tax return (IRS Form 1040 or 1041A)
- W-2 Forms and other records of money earned in 1980
- Records of nontaxable income such as veterans, social security, or welfare benefits
- Current bank statements
- Current mortgage information
- Records of medical or dental bills that were paid in 1980
- Business and farm records

Won't file a tax return. If you or your parents won't be filing a 1980 tax return, you'll need to know how much income, if any, was earned in 1980.

Tax return not completed yet. If you or your parents haven't completed a 1980 U.S. income tax return but will be filing one, use a blank tax return to help you estimate what will be on it. If the actual tax return figures are different from what you give on this form, you'll have to make corrections later.

Foreign tax return. If you or your parents filed (or will file) a 1980 income tax return with a central government outside the United States, use the information from that tax return to fill out this form. Convert all figures to U.S. dollars. If you or your parents also filed (or will file) an IRS Form 1040, use information from both the IRS Form 1040 and the foreign tax return to fill out this form.

Note: Funds received by you or your parents as an award under the Distribution of Judgment Funds Act or the Alaska Native Claims Settlement Act should not be reported as income or assets on this form. Property should not be reported as an asset if: (a) it may not be sold or have loans placed against it without consent of the Secretary of Interior; or (b) the property is held in trust for you or your family by the U.S. government.

When You Fill Out This Form

- Read the instructions for each question before you answer the question.
- Use a pen with black or dark ink; don't use a pencil.
- Print carefully, so that your form will be easy to read.
- Round off figures to the nearest dollar.

If the instructions tell you to skip a question, you can leave it blank. Otherwise, if a question does not apply to you, don't leave it blank. Put a zero in the answer space. For example:

\$ 0.00

This booklet contains two copies of the form. It's a good idea to use one copy as a worksheet and then keep it for your own records.

Section D (continued)

	Parents	Student (& spouse)
26. 1980 income earned after work by		
26a. Father	\$ 00	26a. Student \$ 00
26b. Mother	\$ 00	26b. Spouse \$ 00
27. 1980 nontaxable income		
a. Social security benefits (Parents include dependent students' Social Security benefits)	\$ 00	27a. \$ 00
b. Aid to Families with Dependent Children (AFDC or ADC)	\$ 00	27b. \$ 00
c. Other nontaxable income (Use the worksheets in the instructions.)	\$ 00	27c. \$ 00
28. 1980 medical and dental expenses not paid by insurance	\$ 00	28. \$ 00
29. 1980 elementary, junior high, and high school tuition paid (Don't include tuition paid for the student.)	\$ 00	29. \$ 00
30. Expected 1981 taxable and nontaxable income (See instructions.)	\$ 00	If you are filling in the blue shaded areas, answer 31 and 32 about the student. Use the worksheets in the instructions to figure out the answers.
31. Student's (& spouse's) total 1980 income minus U.S. income tax paid	\$ 00	31. Don't answer 30, 31, and 32.
32. Student's (& spouse's) savings and net assets	\$ 00	

Section E Asset information

	Parents	Student (& spouse)
33. Cash, savings, and checking accounts	What is it worth now? \$ 00 What is owed on it? \$ 00	What is it worth now? \$ 00 What is owed on it? \$ 00
34. Home	\$ 00 \$ 00	\$ 00 \$ 00
35. Other real estate and investments	\$ 00 \$ 00	\$ 00 \$ 00
36. Business and farm	\$ 00 \$ 00	\$ 00 \$ 00

All students must fill in Sections E and G.

Section F Student's (& spouse's) Expected Income

July 1, 1981—June 30, 1982

37. Social security benefits (Include only the student's benefits.)	Amount per month \$ 00	Number of months 12
38. Veterans educational benefits (Include only the student's benefits from the GI Bill and Dependents Educational Assistance Program. Don't include the new VA Contributory benefits.)	Amount per month \$ 00	Number of months 12
39. Other nontaxable income of student (& spouse) (Don't include student financial aid or any of the benefits given in 37 and 38.)	Amount for July 1, 1981—June 30, 1982 \$ 00	
40. a. Student's taxable income (Don't include student financial aid.)	Summer 1981 3 months \$ 00	School Year 1981-82 9 months \$ 00
b. Spouse's taxable income (Don't include student financial aid.)	3 months \$ 00	9 months \$ 00

Section G Colleges, Release, and Certification

41. Student's college for the 1981-82 school year

1. Name of College	Basic Grant use only
City	
2. Name of College	
City	

42. I give the Basic Grant Program permission to send information from this form to:

- a. the financial aid agency in my State ☐ Yes ☐ No
 b. the colleges I listed in 41 ☐ Yes ☐ No

See the instructions. If you have lost or lost track of your form, you may want to request a new one. No fee. If you receive "No" to any of the questions, you may want to request a new one.

43. Certification

All the information on this form is true and complete to the best of my(our) knowledge. If asked by an authorized official, I(we) agree to give proof of the information that I(we) have given on this form. I(We) realize that this proof may include a copy of my(our) 1980 U.S. or State income tax return. I(We) also realize that if I(we) do not give proof when asked, the student may not get aid.

Sign	Student
Student's Signature	
Father	
Mother	
Date completed	Month Day Year

Mail your form to:
Basic Grant
P.O. Box 40181
Los Angeles, CA 90040

Basic Grant Application Form

School Year 1981-82

Read instructions as you fill out this form.

Section A Student's Information

1. Student's name

WARNING: If you use this form to establish your eligibility for Federal student aid funds, you should know that any person who makes false statements or misrepresentations on this form is subject to a fine or to imprisonment or both, under provisions of the United States Criminal Code.

U.S. DEPARTMENT OF EDUCATION
This grant may be awarded unless a completed application form has been received by the U.S. DEPT. OF EDUC. (SEE INSTRUCTIONS)

2. Student's permanent mailing address
(see page 3 for State abbreviation)

3. Student's social security number

4. Student's date of birth

5. Student's State of legal residence

6. The student is ☐ a U.S. citizen
(a) ☐ an eligible noncitizen (see instructions)
(b) ☐ neither of the above (see instructions)7. The student is ☐ unmarried (single, divorced, or widowed)
☐ married
☐ separated

8. Student's year in college during 1981-82

- ☐ 1st (freshman)
☐ 2nd (sophomore)
☐ 3rd (junior)
☐ 4th (senior)
☐ 5th (undergraduate)
☐ graduate or professional (beyond a Bachelor's degree)

9. Will the student have a Bachelor's degree by July 1, 1987?

- ☐ Yes (see instructions)
☐ No

Section B Student's Status

Read the instructions to find out who counts as the student's parent before you answer 11, 12, and 13.

10. Did or will the student live with the parents for more than six weeks ... in 1980? ☐ Yes ☐ No ... in 1981? ☐ Yes ☐ No
 11. Did or will the parents claim the student as an income tax exemption ... in 1980? ☐ Yes ☐ No ... in 1981? ☐ Yes ☐ No
 12. Did or will the student get more than \$1,000 worth of support from the parents ... in 1980? ☐ Yes ☐ No ... in 1981? ☐ Yes ☐ No

If you answered "Yes" to any of the questions in Section B, you must fill in the blue shaded areas. If your parents are separated or divorced, if your parent is widowed, or if you have a stepparent, you must read the instructions on page 4 before going on. Don't fill in the gray shaded areas.

If you answered "No" to all 6 questions in Section B, you must fill in the gray shaded areas. Don't fill in the blue shaded areas.

Section C Household Information

Parents

13. The parents' current marital status is ☐ single ☐ divorced ☐ widowed
☐ married ☐ separated

14. The parents' State of legal residence is

15. The age of the older parent is

Student (s spouse)

16. The total size of the student's household during 1981-82 will be
Include the student, spouse, and student's dependent children. Include other dependents if they meet the definition in the instructions.16. The total size of the parents' household during 1981-82 will be
Include the student even if he/she does not live at home. Include parents and parents' other dependent children. Include other dependents if they meet the definition in the instructions.17. Of the number in 16, how many will be in college during 1981-82?
Include the student who is applying for aid and others who will be in college at least half-time.18. Of the number in 16, how many will be in college during 1981-82?
Include the student who is applying for aid and others who will be in college at least half-time.

Section D Income and Expense Information

20. A 1980 U.S. income tax return will be filed or has been filed. If you answered "Yes" to 20, go to 21. If you answered "No" to 20, skip to 25.

21. The following 1980 U.S. income tax return figures are (see instructions)

22. 1980 total number of exemptions (Form 1040, line 7 or 1040A, line 8)

23. 1980 Adjusted Gross Income (Form 1040, line 21 or 1040A, line 11)

24. 1980 U.S. income tax paid (Form 1040, line 47 or 1040A, line 14C)

25. 1980 Standard Deductions (Form 1040, Schedule A, line 38, or write "0" if deductions were not claimed)

Parents

☐ Yes ☐ No☐ Item a completed return ☐ estimated☐ Item a completed return ☐ estimated☐ Item a completed return ☐ estimated☐ Item a completed return ☐ estimated☐ Item a completed return ☐ estimated☐ Item a completed return ☐ estimated☐ Item a completed return ☐ estimated☐ Item a completed return ☐ estimated

Student (s spouse)

☐ Yes ☐ No☐ Item a completed return ☐ estimated☐ Item a completed return ☐ estimated☐ Item a completed return ☐ estimated☐ Item a completed return ☐ estimated☐ Item a completed return ☐ estimated☐ Item a completed return ☐ estimated☐ Item a completed return ☐ estimated☐ Item a completed return ☐ estimated

Section D (continued on other side)

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Section D (continued)

	Parents		Student (A spouse)	
26. 1980 income earned from work by	Mr. Father	\$.00	Mr. Student	\$.00
	Mrs. Mother	\$.00	Mrs. Spouse	\$.00
27. 1980 nontaxable income				
a. Social security benefits (Parents include the student's benefits. See instructions.)		\$.00	27a.	\$.00
b. Aid to Families with Dependent Children (AFDC or ADC)		\$.00	27b.	\$.00
c. Other nontaxable income (Use the worksheet in the instructions.)		\$.00	27c.	\$.00
28. 1980 medical and dental expenses not paid by insurance		\$.00	28.	\$.00
29. 1980 elementary, junior high, and high school tuition paid (Don't include tuition paid for the student.)		\$.00	29.	\$.00
30. Expected 1981 taxable and nontaxable income (See instructions.)		\$.00		

If you are filling in the blue shaded areas, answer 31 and 32 about the student. Use the worksheets in the instructions to figure out the answers.

31. Student's (A spouse's) total 1980 income minus U.S. income tax paid \$.00

32. Student's (A spouse's) savings and net assets \$.00

If you are filling in the gray shaded areas, skip to Section E. Don't answer 30, 31, and 32.

Section E Asset Information

	Parents		Student (A spouse)	
	What is it worth now?	What is owed on it?	What is it worth now?	What is owed on it?
33. Cash, savings, and checking accounts	\$.00		\$.00	
34. Home	\$.00	\$.00	\$.00	\$.00
35. Other real estate and investments	\$.00	\$.00	\$.00	\$.00
36. Business and farm	\$.00	\$.00	\$.00	\$.00

All students must fill in Sections F and G.

Section F Student's (A spouse's) Expected Income

July 1, 1981—June 30, 1982

37. Social security benefits (include only the student's benefits.) Amount per month \$.00 Number of months 1

38. Veterans educational benefits (include only the student's benefits from the GI Bill and Dependents Educational Assistance Program. Don't include the new VA Contributory Benefits.) Amount per month \$.00 Number of months 1

39. Other non-taxable income of student (A spouse) Amount for July 1, 1981—June 30, 1982 \$.00

Summer 1981 School Year 1981-82

40. a. Student's taxable income (Don't include student financial aid.) 3 months \$.00 9 months \$.00

b. Spouse's taxable income (Don't include student financial aid.) 3 months \$.00 9 months \$.00

Section G Colleges, Release, and Certification

41. Student's colleges for the 1981-82 school year

1. Name of College	State	Basic Grant use only
City		
2. Name of College	State	
City		

42. I give the Basic Grant Program permission to send information from this form to:

- a. the financial aid agency in my State ☐ yes ☐ no
- b. the colleges I listed in 41 ☐ yes ☐ no

See the instructions if you have (a) or (b) to find out what I must give you as the "If you answer 'No' to (a) your State is a college." See below.

43. Certification

All the information on this form is true and complete to the best of my(our) knowledge. If asked by an authorized official, I(we) agree to give proof of the information that I(we) have given on this form. I(We) realize that this proof may include a copy of my(our) 1980 U.S. or State income tax return. I(We) also realize that if I(we) do not give proof when asked, the student may not get aid.

Sign

Student's Spouse

Father

Mother

Don't include name

Mail your form to:
Basic Grant
P.O. Box 81
Los Angeles, CA 90028

Section A Student's Information

Print in this Section information about the student who is applying for aid.

1. Give your last name, first name, and middle initial. Print carefully. For example:

WILLIAMSON

Last

2. Give the address where you normally will be receiving mail. If you may be moving, be sure to give us your permanent mailing address. Don't use the address of the financial aid office or any other office at a school.

3. Give your social security number. Carefully copy the number from your social security card.

4. Write in the date you were born. Show the month as a two-digit number. For example, because July is the seventh month, you would write "07" in the boxes for "Month." Write in a two-digit number for the day. The 15th day of the month would be "05." Write in the last two numbers of the year. For example, 1983 would be "83." Therefore, if you were born July 5, 1983, write:

07 05 83
Month Day Year

5. Give the abbreviation for your State of legal residence. Use the State abbreviation list on this page.

6. If you are a U.S. citizen, check box (a) and go on to question 7. Check box (b) if you are one of the following:

- U.S. national
- U.S. permanent resident, and you have an Alien Registration Receipt Card (I-151 or I-551)
- Permanent resident of the Northern Mariana Islands
- Permanent resident of the Trust Territory of the Pacific Islands

— If you are eligible noncitizen, and you have one of the following documents from the U.S. Immigration and Naturalization Service:

- Arrival-Departure Record (I-94) showing:
 - (a) "Refugee" or
 - (b) "Adjustment Applicant"
- An official statement that you have been granted asylum in the U.S.

If you cannot check box (a) or (b), you must check box (c). If you check box (c), you cannot get a Basic Grant or other Federal student aid. If you are in the U.S. on only an F1 or F2 student visa or only a J1 or J2 exchange visitor visa, you cannot get a Basic Grant or other Federal student aid.

7. Check the box for your current marital status.

8. Check your year in college from July 1, 1981 to June 30, 1982.

9. Check "No" if you do not have a Bachelor's degree and you will not have one by July 1, 1981.

Check "Yes" if you will have a Bachelor's degree by July 1, 1981. Also, check "Yes" if you will have a degree that is equal to a Bachelor's degree from a university in another country.

If you already have a Bachelor's degree, you cannot get a Basic Grant although you may be eligible for other kinds of financial aid.

Section B Student's Status

When we say "parents" in this Section, we mean your mother and/or father, or your adoptive parents. We don't mean step-parents, foster parents, or guardians.

Before you answer questions 10, 11, and 12, read the descriptions below and check the box next to the one that is true for you.

- ☐ Parents are both living and married to each other. Answer the questions in Section B about them.

- ☐ Parents are divorced or separated. Answer the questions in Section B for the parent you lived with most in the last 12 months. For example, if you lived with your mother most, answer questions 10, 11, and 12 about her, and not about your father or stepfather.

If you didn't live with either parent, or you lived with each parent an equal number of days, answer the questions in Section B for the parent who provided the most support to you in the last 12 months. (Support means money and things like housing, food, clothes, car, medical and dental care, and payment of college costs.)

- ☐ Parent is widowed or single. Answer the questions in Section B about that parent.

- ☐ Parents are both dead. Answer "No" to all questions in Section B, and fill in the gray shaded areas on the rest of this form.

Now answer questions 10, 11, and 12 based on which box you checked. Answer all three questions for both 1980 and 1981. If you leave any answer blank, we will count it as "Yes."

10. If you lived with your parents more than six weeks (a total of 42 days) in 1980 or you will in 1981, you must answer "Yes."

11. If your parents claimed you on their 1980 tax return or if they will claim you for 1981, you must answer "Yes."

12. If your parents gave you more than \$1,000 worth of support in 1980 or if they will do so in 1981, you must answer "Yes." (Support means money and things like housing, food, clothes, car, medical and dental care, and payment of college costs.)

State Abbreviations

AL Alabama	IA Iowa	OK Oklahoma
AK Alaska	KS Kansas	OR Oregon
AS American Samoa	KY Kentucky	PA Pennsylvania
AZ Arizona	LA Louisiana	PR Puerto Rico
AR Arkansas	ME Maine	RI Rhode Island
CA California	MD Maryland	SC South Carolina
CO Colorado	MA Massachusetts	SD South Dakota
CM Commonwealth of the Northern Mariana Islands	MI Michigan	TN Tennessee
CT Connecticut	MN Minnesota	TX Texas
DE Delaware	MS Mississippi	TT Trust Territories (Marshall Islands & Caroline Islands)
DC District of Columbia	MO Missouri	UT Utah
FL Florida	MT Montana	VT Vermont
GA Georgia	NE Nebraska	VI Virgin Islands
GU Guam	NH New Hampshire	VA Virginia
HI Hawaii	NJ New Jersey	WA Washington
ID Idaho	NM New Mexico	WV West Virginia
IL Illinois	NY New York	WY Wyoming
IN Indiana	NC North Carolina	
	ND North Dakota	
	OH Ohio	

If your place of residence is not included above, leave the space for State blank and write the name of the country or territory in the space for city.

Important Instructions for Sections C, D, & E

If you answered "Yes" to any of the questions in Section B for any year, you must fill in all of the blue shaded areas on the form with information about your parents. In Section C, answer questions 13-17. In Sections D and E, give your parents' financial information. (Section D also has two questions about you, the student.) Don't fill in the gray shaded areas.

Divorced, separated, widowed, or single parent. Only give information for the parent that you counted in Section B. If that parent has married or remarried, read the next paragraph.

Stepparent. If the parent that you counted in Section B has married or remarried, also include your stepparent's information if either:

— you lived with your stepparent (and parent) for more than six weeks (a total of 42 days) in 1980, or you will in 1981;

or

— you got or will get more than \$1,000 in support from your stepparent in 1980 or 1981.

If you are including your stepparent's information, note that whenever we say "parents" on the rest of this form, we also mean your stepparent.

If you answered "No" to all six questions in Section B, you must fill in all of the gray shaded areas on the form with information about you and, if you are married, your spouse (husband or wife). In Section C, answer questions 18 and 19. In Sections D and E, give your (and your spouse's) financial information. Don't fill in the blue shaded areas.

Section C Household Information

Parents' information—blue shaded areas

Fill in this Section with information about your parents.

13. Check the box for your parents' current marital status.

Show the current status of the people that you give information for on this form. For example, if you must give information about your mother and stepfather, check the box that says "married," because your mother and stepfather are married.

14. Give the abbreviation for your parents' State of legal residence. See the State abbreviation list on page 3.

15. Give the age of your older parent.

16. Give the number of people that your parents will support between July 1, 1981 and June 30, 1982. Include your parents, yourself, and your parents' other dependent children. If you (the student) have dependent children, also include them. Include other people only if they now live with and get more than half of their support from your parents, and will continue to get this support between July 1, 1981 and June 30, 1982. Don't include your spouse.

17. Give the number of people from question 16, including yourself, who will be going to college or other schools beyond the high school level between July 1, 1981 and June 30, 1982. To be included here, each student must be enrolled at least half-time. Half-time means the student is taking at least 6 credit hours per term. If the school uses clock hours, the student must be attending at least 12 clock hours per week.

Student's (& spouse's) information—gray shaded areas

Fill in this Section with information about yourself (and your spouse). If you are divorced or separated, don't include information about your spouse.

18. Give the number of people that you (and your spouse) will support between July 1, 1981 and June 30, 1982. Include yourself, your spouse, and your dependent children. Include other people only if they now live with and get more than half of their support from you (and your spouse), and will continue to get this support between July 1, 1981 and June 30, 1982.

19. Give the number of people from question 18, including yourself, who will be going to college or other schools beyond the high school level between July 1, 1981 and June 30, 1982. To be included here, each student must be enrolled at least half-time. Half-time means the student is taking at least 6 credit hours per term. If the college uses clock hours, the student must be attending at least 12 clock hours per week.

Section D Income and Expense Information

If your parents filed or will file a 1980 U.S. income tax return, fill in the answers in this Section using your parents' 1980 U.S. income tax return (IRS Form 1040 or 1040A) or other financial records. If you are giving information for only one parent and that parent filed (or will file) a joint tax return for 1980, give only that parent's portion of the income and expenses asked for in questions 22-26.

If your parents did not and will not file a 1980 U.S. income tax return, fill in the answers in this Section that apply to you, using your parents' financial records. The kinds of records we mean are: statements of income that your parents earned in 1980, and statements of nontaxable income that your parents got in 1980 (like social security, disability, and welfare benefits).

If you (and your spouse) filed or will file a 1980 U.S. income tax return, fill in the answers in this Section using your (and your spouse's) 1980 U.S. income tax return (IRS Form 1040 or 1040A) or other financial records. If you are divorced, separated, or widowed, and you filed (or will file) a joint tax return for 1980, give only your portion of the income and expenses asked for in questions 22-26.

If you (and your spouse) did not and will not file a 1980 U.S. income tax return, fill in the answers in this Section that apply to you, using your financial records. The kinds of records we mean are: statements of income that you (and your spouse) earned in 1980, and statements of nontaxable income that you (and your spouse) got in 1980 (like social security, disability, and welfare benefits).

20. Tax return filing status

Check "Yes" if a 1980 U.S. income tax return will be filed or has been filed. Then go on to question 21.

Check "No" if a 1980 U.S. income tax return will not be filed. Then skip to question 26. Leave questions 21 through 25 blank.

21. Tax return status

Check the box that says "from a completed return" if the 1980 U.S. income tax return has been filed out. For questions 22 through 25 you should copy the answers from the tax return.

Check the box that says "estimated" if the 1980 income tax return has not been filed out. For questions 22 through 25 you should write in the figures that will be on the tax return. Use a blank 1980 U.S. income tax return to help you answer these questions.

22. Total number of exemptions for 1980

Write in the number from Form 1040, line 7 or 1040A, line 6.

23. IRS Adjusted Gross Income for 1980

Write in the number from Form 1040, line 31 or 1040A, line 11. Don't include earnings from student financial aid programs, such as College Work-Study.

For most people, IRS Adjusted Gross Income is the total income earned from work, plus interest income, dividends, and other taxable income. In estimating Adjusted Gross Income, don't subtract tax paid, itemized deductions, or allowances for exemptions. The only subtractions IRS allows are shown on lines 23-25 of IRS Form 1040.

24. U.S. income tax paid for 1980

Write in the number from Form 1040, line 47 or 1040A, line 14c. Don't copy the amount of "Federal income tax withheld" from a W-2 Form. Don't include taxes paid on earnings from student financial aid programs.

25. Itemized deductions for 1980

Write in the number from Schedule A, line 36, of the Form 1040. If deductions were not itemized or if a Form 1040A was filed, write in "0." (Business or farm owners: Don't use numbers from Schedule C or F.)

26. Income earned from work in 1980

Write in the amount of income earned from work in 1980 by (a) your father and (b) your mother.

If you skipped questions 21 through 25, include your parents' earnings from work in 1980. You must also include these amounts in question 27c. "Other nontaxable income."

If you answered questions 21 through 25, include the "Wages, salaries, tips, etc." from your parents' Form 1040, line 8 or 1040A, line 7. If your parents own a business or farm, also include the amounts from Form 1040, lines 13 and 19.

Write in the amount of income earned from work in 1980 by (a) you and (b) your spouse. Don't include earnings from student financial aid programs.

If you skipped questions 21 through 25, include your (and your spouse's) earnings from work in 1980. You must also include these amounts in question 27c. "Other nontaxable income."

If you answered questions 21 through 25, include the "Wages, salaries, tips, etc." from your (and your spouse's) Form 1040, line 8 or 1040A, line 7. If you (or your spouse) own a business or farm, also include the amounts from Form 1040, lines 13 and 19.

27. Nontaxable income for 1980**a. Social security benefits for 1980**

Write in the total amount of social security benefits that you and your parents got in 1980. Be sure to include the amounts that your parents got for children under age 18.

Write in the total amount of social security benefits that you (and your spouse) got in 1980. Be sure to include the amounts that you (and your spouse) got for children under age 18.

b. Aid to Families with Dependent Children (AFDC or ADC) for 1980

Write in the total amount of benefits that your parents got in 1980 from Aid to Families with Dependent Children. (These are usually called either AFDC or ADC benefits.)

Write in the total amount of benefits that you (and your spouse) got in 1980 from Aid to Families with Dependent Children. (These are usually called either AFDC or ADC benefits.)

c. Other nontaxable income

Figure your parents' 1980 other nontaxable income. Use the worksheet below.

Figure your (and your spouse's) 1980 other nontaxable income. Use the worksheet below.

Worksheet for question 27c

Earnings from work that are not reported on an income tax return	\$.00
Child support	+ .00
Welfare benefits (except AFDC or ADC)	+ .00
Unemployment compensation (Don't include any amount that you included in question 25.)	+ .00
Retired Retirement benefits	+ .00
Disability income	+ .00
Veterans benefits (except educational benefits, include Death Pension & Dependency and Indemnity Compensation (DIC) benefits)	+ .00
Interest on tax-free bonds	+ .00
Unpaid portion of pensions & capital gains	+ .00
Housing & living allowances for military, clergy, & others (include cash payment & cash value of benefits)	+ .00
Other income (Don't include the types of income listed below.)	+ .00
This is your answer for question 27c: TOTAL	\$.00

Don't include:

- Any income reported in question 23, 27a, or 27b
- Money from student financial aid programs (educational loans, work-study earnings, grants, or scholarships)
- Veterans benefits for education (GI Bill, Dependents Educational Assistance Program, or the new VA Contributory Benefits)
- "Adjustments to income" reported on the 1980 U.S. income tax return (Form 1040, line 25)
- Cash value of gifts and support, other than money, such as food or clothing

Be sure to copy the total from the above worksheet onto the answer space for question 27c on your application form.

You must keep this worksheet. Don't send it in with your application form, because you may be asked to refer to it later.

28. Medical and dental expenses in 1980 not paid by insurance

Write in the amount of money that your parents paid in 1980 for medical and dental expenses. Don't include amounts covered by insurance or the cost of insurance premiums. If your parents itemized deductions on their 1980 U.S. income tax return, write in the total of lines 2 and 6 of Schedule A of the Form 1040.

Write in the amount of money that you (and your spouse) paid in 1980 for medical and dental expenses. Don't include amounts covered by insurance or the cost of insurance premiums. If you (and your spouse) itemized deductions on your 1980 U.S. income tax return, write in the total of lines 2 and 6 of Schedule A of the Form 1040.

29. Elementary, junior high, and high school tuition paid in 1980

Write in the amount of money that your parents paid in 1980 for elementary, junior high, and high school tuition for their children. Don't include tuition that your parents paid for you. Also, don't include tuition paid by scholarships.

Write in the amount of money that you (and your spouse) paid in 1980 for elementary, junior high, and high school tuition for your children. Don't include tuition paid by scholarships.

Then, skip to Section E.

30. Expected 1981 taxable and nontaxable income

Write in the total amount of taxable and nontaxable income that your parents expect to get in 1981. Include the types of income that we asked for in questions 23, 27a, 27b, and 27c.

31. Student's (and spouse's) 1980 income

Use this worksheet to figure the student's (and, if married, spouse's) 1980 income. If the student is divorced, separated, or widowed, don't include information for the spouse.

Worksheet for question 31	
Student's 1980 earnings from work (Don't include work-study earnings.)	\$ <u> </u> .00
Spouse's 1980 earnings from work (Don't include work-study earnings.)	+ <u> </u> .00
Other 1980 taxable & nontaxable income—interest, dividends, AFDC or ADC, etc. (Don't include veterans' educational benefits, social security benefits, or student financial aid.)	+ <u> </u> .00
Add all the numbers in the column	= <u> </u> .00
Subtract 1980 U.S. income tax paid by student (if married)	- <u> </u> .00
This is your answer for question 31. TOTAL	\$ <u> </u> .00

Be sure to copy the total from the above worksheet onto the answer space for question 31 on your application form.

32. Student's (and spouse's) assets

Use this worksheet to figure the student's (and, if married, spouse's) assets. If the student is divorced or separated, don't include information for the spouse.

Worksheet for question 32	
Amount in cash, savings, & checking accounts (Don't include money from student financial aid programs.)	
None	\$ <u> </u> .00
What is it worth now? What is owed on it?	\$ <u> </u> .00 = <u> </u> .00 = <u> </u> .00
Other real estate & investments (see instruction for question 32)	
What is it worth now? What is owed on it?	\$ <u> </u> .00 = <u> </u> .00 = <u> </u> .00
Business & farm (see instruction for question 32)	
What is it worth now? What is owed on it?	\$ <u> </u> .00 = <u> </u> .00 = <u> </u> .00
Add all the numbers in the right-hand column.	TOTAL \$ <u> </u> .00
This is your answer for question 32.	

Be sure to copy the total from the above worksheet onto the answer space for question 32 on your application form.

You must keep these worksheets. Don't send them in with your application form, because you may be asked to refer to them later.

Section E: Asset Information

You must give information about your parents' assets in questions 33 through 36. If you are giving information for only one parent and that parent has jointly owned assets, give only that parent's portion of the assets and debts.

You must give information about your (and your spouse's) assets in questions 37 through 38. If you are divorced or separated and you have jointly owned assets, give only your portion of the assets and debts.

Don't include personal or consumer loans, or any debts that are not related to the assets listed.

33. Cash, savings, and checking accounts

Write in the amount of money that is in cash, savings, and checking accounts today. Don't include money from student financial aid programs.

34. Home

Write in how much the home is worth today. Don't use assessed value.

Then, write in how much is owed on the home, including the present mortgage and related debts on the home. (Don't include interest due.) Check with the mortgage company if you don't know.

35. Other real estate and investments

Write in how much other real estate and investments are worth today. Investments include trust funds, stocks, bonds, other securities, commodities, etc.

Then, write in how much is owed on other real estate and investments.

36. Business and farm

Write in how much the business and farm are worth today. Include the value of land, buildings, machinery, equipment, livestock, inventories, etc. Don't include how much the home is worth. (Home value should be given in question 34.)

If your parents are not the sole owners, write in only their share of the total business and farm value. Then, write in what is owed on the business and farm. Include only the present mortgage and related debts for which the business and farm were used as collateral. If your parents are not the sole owners, write in only their share of what is owed.

If you (and your spouse) are not the sole owners, write in only your (and your spouse's) share of the total business and farm value. Then, write in what is owed on the business and farm. Include only the present mortgage and related debts for which the business and farm were used as collateral. If you (and your spouse) are not the sole owners, write in only your (and your spouse's) share of what is owed.

All students must fill in Sections F & G**Section F: Student's (& spouse's) Expected Income**

Questions 37-40 ask about income that you expect to get. Answer these questions as accurately as you can. If a question doesn't apply to you, don't leave it blank; write in a zero.

37. Social security benefits

Write in the amount of social security benefits that you will get per month from July 1, 1991 through June 30, 1992, and the number of months during this time that you will get those benefits. Include only benefits for you, the student. (These benefits are for a different time period than the student's benefits included in question 27a.)

38. Veterans educational benefits

Write in the amount of veterans educational benefits that you will get per month from July 1, 1991 through June 30, 1992, and the number of months during this time that you will get those benefits. Include only what you will get from the GI Bill and Dependents Educational Assistance Program. If you are not sure how much you will get, contact your local Veterans Administration office.

Don't include Death Pension, Dependency and Indemnity Compensation (DIC), or the new VA Contributory Benefits.

39. Other nontaxable income

Write in the amount of other nontaxable income that you (and your spouse) expect to get from July 1, 1991 through June 30, 1992.

Include:

- Child support
- Aid to Family as with Dependent Children (AFDC or ADC)
- Welfare benefits
- Unemployment compensation (Don't include any unemployment compensation that you will include in question 40a or 40b.)
- Social security benefits, except those given in question 37
- Railroad Retirement Benefits
- Disability income
- Veterans benefits, such as Death Pension and Dependency and Indemnity Compensation (DIC) benefits (Don't include the benefits that you gave in question 38 or the new VA Contributory Benefits.)
- Interest on tax-free bonds
- Untaxed portions of pensions and capital gains
- Housing and living allowances for military, clergy, and others. (Include cash payment and cash value of benefits.)
- Any other income that is not subject to income tax.

Don't include money from student financial aid programs (educational loans, work-study earnings, grants, or scholarships).

40a & b. Taxable income

Write in the total amount of taxable income that (a) you and (b) your spouse expect to get during the 3-month summer of 1991 and the 9-month school year of 1991-92.

Include:

- Wages, salaries, and tips
- Interest and dividend income
- Any other income that will be taxed

Don't include income from a job that you (or your spouse) will get through a student aid program.

Section G Colleges, Release, & Certification

41. Write in the name and address of the college that you will be going to during the 1981-82 school year. If you are considering more than one college, write in the names of the two colleges that you are most interested in. If you don't know yet which colleges you are interested in, you can leave this question blank.

42a. Check "Yes" if you do want us to send information from this form to the financial aid agency in your State. The State agency will use this information to help them decide whether you will get a State award, and for checking to see if you reported correct information on your State student aid application.

Check "No" if you do not want us to send information from this form to the financial aid agency in your State. If you check "No," your State aid may be delayed, but it will have no effect on your Basic Grant.

42b. Check "Yes" if you want us to send information from this form to the colleges that you listed in question 41. Some colleges may use this information to help them estimate the amount of your financial aid.

Check "No" if you do not want us to send information from this form to the colleges that you listed in question 41.

43. You must sign this form. If you are married, your spouse must sign this form. If you filled in the blue shaded areas, at least one of your parents must also sign this form. Everyone signing this form is saying that all information on the form is correct and that they are willing to give documents (such as a copy of their 1980 U.S. or State income tax returns) to prove that the information is correct.

Sending the form to the Basic Grant Program

Double-check your form, to make sure it is complete and accurate. Be sure it has the necessary signatures.

Put the form in the envelope that comes with this booklet. You don't have to send any money. Don't put letters, tax forms, or any extra materials in the envelope; this will only slow down your application.

Also include the postcard that comes with this booklet. As soon as we receive your application, we will mail the postcard back to you stamped with the date you should expect to receive your SER. If you don't receive the postcard within four weeks, send us another application form.

Keep this booklet handy. You will need it when you get your Student Eligibility Report.

Special Condition Form

If your financial situation has recently changed for the worse, you may be able to fill out a Special Condition Form. The kinds of changes we mean are:

Loss of income. You can fill out a Special Condition Form instead of the Basic Grant Application Form if you or your family will have a much lower income in 1981 than in 1980. This lower income must be caused by:

- Leaving a full-time job to go to college
- Losing income because of unemployment, disability, or natural disaster
- Losing unemployment compensation or some type of non-taxable benefit (like social security, child support, or welfare).

Divorce, separation, or death. If you've already applied for a Basic Grant and, since that time, there's been a change in your family situation that affects the information you gave on your application, you may be able to fill out a Special Condition Form now. The change must be either:

- Separation or divorce
- or
- Death of a parent or your spouse.

The instructions that come with the Special Condition Form will tell you if it is the right form for you to use. You can get a Special Condition Form from your high school counselor, from a college financial aid office, or from Basic Grants, P.O. Box 84, Washington, D.C. 20044.

Deadline. We must receive the Special Condition Form by March 15, 1982.

What other kinds of aid can I get?

For most students, financial aid begins with a Basic Grant. But it does not have to end there. The Basic Grant is meant to be the "floor" of student aid. Other Federal aid, such as other grants, loans, or work-study jobs, may be added to your financial aid package. Some of these other kinds of aid are open to graduate students as well as undergraduates.

Financial aid is also provided by States, colleges, community agencies, foundations, corporations, unions, religious organizations, clubs, and civic and cultural groups. Financial need is usually considered, but other factors may also be taken into account.

Contact the financial aid administrator at the college you plan to attend in the 1981-82 school year. He or she can tell you what aid programs are available at the college, and what forms you need to fill out to apply.

Additional information

For additional information on Federal student aid programs, write to Consumer Information Center, Dept. 50, Pueblo, Colorado 81009, and ask for a copy of "Five Federal Financial Aid Programs: A Student Consumer's Guide."

For information on how we calculate your eligibility index, write to Consumer Information Center, Dept. El, Pueblo, Colorado 81009. Ask for a copy of the booklet, "The Basic Grant Formula, 1981-82."

Mr. SIMON. We are pleased to have Dr. Elmendorf with us again today.

Welcome, Dr. Elmendorf. You are becoming a frequent visitor before the subcommittee.

You may proceed.

STATEMENT OF EDWARD M. ELMENDORF, DEPUTY ASSISTANT SECRETARY FOR STUDENT FINANCIAL ASSISTANCE, U.S. DEPARTMENT OF EDUCATION, ACCOMPANIED BY JAMES W. MOORE, DIRECTOR, STUDENT FINANCIAL ASSISTANCE PROGRAMS, U.S. DEPARTMENT OF EDUCATION

Mr. ELMENDORF. Thank you, Mr. Chairman.

We are pleased to be here. I think this is baptism by fire since this is my fourth time up here for different committees this week.

I am trying to keep my testimony in order and straight.

I do thank you for your invitation to be here today to discuss the requirements of section 483 of the Higher Education Act.

I have with me Mr. Moore who is the director of student financial assistance programs.

I would like to make a few statements from our written testimony and ask that you enter the complete statement into the record at this time.

Mr. SIMON. Without objection, so ordered.

[Prepared statement of Edward Elmendorf follows:]

PREPARED STATEMENT OF EDWARD M. ELMENDORF, DEPUTY ASSISTANT SECRETARY FOR STUDENT FINANCIAL ASSISTANCE, ACCOMPANIED BY JAMES W. MOORE, DIRECTOR, STUDENT FINANCIAL ASSISTANCE PROGRAMS, DEPARTMENT OF EDUCATION

We are pleased to be here in response to the subcommittee's invitation to discuss the requirements of Section 483 of the Higher Education Act.

Section 483(a) of the Higher Education Act of 1965, as amended, requires the Secretary to "prescribe a common Federal Financial Aid Application which shall be used to determine the need and eligibility of a student for financial assistance under this title." Section 483(a) states that "no student or parent of a student shall be charged a fee for processing the data elements of the form prescribed by the Secretary." Section 483(a) further states that "Nothing in this section shall prohibit States, institutions, or private organizations from simultaneously collecting data elements, in addition to the data elements prescribed by the Secretary (emphasis added) as may be necessary to determine the eligibility of a student for financial aid funds not covered by the title. . . ."

In response to the Subcommittee's written inquiry, we believe the Department has fully complied with the legislative requirement that no student " . . . shall be charged a fee . . . " this requirement has been satisfied in two respects. First, through our contractual relationships with CSS and the other services agencies (known as Multiple Data Entry/MDE) we pay all costs related to the printing, distribution, and processing of the data elements prescribed by the Department (also referred to as the "core elements"). The fee charged by these MDE agencies is for the provision of ancillary services and processing of additional data elements which are required by the institutions for ranking applicants in those instances where there are insufficient funds to meet the needs of all applicants in programs other than the Pell grants program. Secondly, for those institutions which do not require these ancillary services or processing of additional data elements by private need analysis services, the U.S. Department of Education makes available to institutions the Application for Federal Student Aid, which is processed by our central processor. In this instance, all services are provided free to the student because the Application for Federal Student Aid contains only the "core elements."

A letter outlining the application procedures for the 1982-83 academic year, which specifically points to the elimination of the Pell Grant only option form the MDE application forms, was disseminated to the financial aid directors of all participating Pell grant institutions, high school counselors, state scholarship agencies,

library officials, and TRIO project directors in the Fall of 1981. This letter further states that students should be made aware of this change. This letter was also submitted to members of Congress. However, it may be that the publicity efforts with regard to this issue should be amplified to encourage institutions which have no need for processing of additional data elements to make use of this form.

We do not feel that the elimination of the Basic Grant only option, previously provided on the College Scholarship Services Financial Aid Form (FAF) as well as on the forms of the other Multiple Data Entry (MDE) services, violates the intent of the provisions of Section 483(a).

Some people are of the opinion that the change—the dropping of the Pell only option—has violated the provisions of 483(a) and has resulted in the charging of students for something that should be free.

We did instruct the MDE process to drop the Pell only option. We now ask that a student applying for a Pell grant only use the free Federal form. There has never been a Title IV only option in which a student could check a box on a MDE form and have their eligibility for Title IV fund processed without charge. Thus, the continued use of Pell only option and a Title IV only option are two separate issues. The Pell only option was initiated several years ago for the convenience of students seeking only Pell grants. The decision to drop the Pell only was based upon the simple fact that the use of MDE and its attendant costs outweighed the question of convenience. To process a Pell only using the Federal form cost \$1.71/applicant. Using MDE we paid in 1981-82 an average of \$3.81 to MDE agencies to amass and transmit the data. In addition, we paid the cost of processing the applicant data and determining the student's Eligibility Index.

We have estimated that we have saved approximately \$1 million by eliminating this unnecessary duplication of effort in the application processing cycle. The MDE costs have risen substantially over the years. In fact, our projected cost associated with maintenance of the MDE system in 1983-84 is \$6.7 million. Elimination of the Pell grant only option enables us to diminish these costs significantly, as well as to provide adequate services to student applicants.

Section 483(a) which states that "no student or parent of a student shall be charged a fee for processing the data elements of the form prescribed by the Secretary" has been achieved. It has been achieved through the payment of fees to the MDE processors, thus making the core elements free to the applicant using the MDE, and the availability of the free Federal form.

Mr. ELMENDORF. First, in response to the subcommittee's written inquiry, we believe the Department has fully complied with the legislative requirement that " * * * no student, or parent of a student, shall be charged a fee for processing the data elements of the form prescribed by the Secretary."

We feel that this requirement has been satisfied in two respects.

First, as you know, we have entered into contractual relationships with College Scholarship Service and other service agencies, called the MDE processors.

Knowing that, you should also know that we pay all the costs related to printing, distribution, and processing of the data elements prescribed by the Department. These are also known as the core elements.

Second, you should also know that the Department of Education has made available to institutions the application for Federal student aid. That application was available in January.

We have sent out approximately 5,000 orders which have been requested of us. We have, in fact, provided due process to institutions by providing over 55,000 letters and notices to institutions, agencies, libraries and TRIO directors around the country detailing the changes on the form.

We have provided more than 50,000 notices in our Office of Student Financial Aid bulletin, to institutions also duplicating that exclusive of any notice that may have been sent separate and apart

from the departmental notice by the CSS, ACT, and MBE processors.

This letter was also submitted to Members of Congress in January.

We do not feel that the elimination of the basic grant only option, previously provided for on the CSS financial aid form, called the FAF, as well as other forms in the MBE violates the intent of the provisions of section 483.

Let me say that last year at this time when the decision was made I was in an institution in Vermont. I should tell you that that State and that institution is not unlike other institutions in other States that have, I think, leaped ahead of perhaps the intent of the free Federal form by requiring that all institutions in the State, and all applicants to the State agency or State scholarship funds must—and I say must; there is not a choice—require students to fill out this form.

In our particular State it is the ACT form. This is for every student who wishes to qualify for student financial assistance in that State under the basic grant program or other financial aid programs, including institutional aid and State scholarship aid.

We know that approximately 47 out of 50 States have the same requirements.

I also would like to tell you the reason we did that. Our students were found to be applying at the same time for an institution that required either the PCS or the ACT form to be filed, doubling or, in some cases, tripling the fees that they had to pay.

So, we eliminated the burden of the cost to the student by prescribing one form for any student who wishes to attend an institution where they applied for State funds in that State.

That is what it is like out there than the exception to the norm, which is, I think, the case that has been made through some of the other testimony I have read here.

Our concern was then students, is now students, and shall be in the future, students.

Thank you.

Mr. SIMON. Thank you.

Does Vermont charge a fee for this mandate?

Mr. ELMENDORF. They pay the fee for the ACT applications. That provides all of the core elements that are prescribed by Congress for the basic grant application and other Federal forms.

We pay, by the way, the Government as to this. They pay the ACT for the processing and printing of the core function. It is part of the form.

The other supplementary data that allows information to flow to the State grant agency and provides some of the needs on the individual campuses, is really what the student, in fact, is paying for with that particular fee.

So, the one fee does cover many services.

Mr. SIMON. What is that fee?

Mr. ELMENDORF. I think it was about \$6.50 at the time that I was last in that State.

Mr. SIMON. My concern is this. This is borne out by some of our experiences in the part and not with this particular problem.

We erect as few barriers as possible to the students applying for assistance. That is the reason for the no-fee concept on the part of the Congress.

Are you concerned at all about this as you look around the Nation?

Mr. ELMENDORF. Yes, sir. As you use the word "we," we mean the Department of Education. We agree with the "we" of Congress that those barriers should be reduced to the minimum.

Unfortunately neither one of us prescribe or mandate for students that they must use this specific form. We provide the option of the free Federal form and hope that the students will choose to use it.

That is not particularly the case out there in the States or in the institutions where it is not an option for students.

It, in fact, is a requirement for students, for that institution's purposes or for State agency purposes, to use a form that is different than the free Federal form, which does not provide all the services that the States and institutions require.

Mr. SIMON. Mr. Erdahl?

Mr. ERDAHL. Thank you, Mr. Chairman.

Maybe this was partially answered. What is the range of costs of fees? Maybe we will find it out in the rest of the testimony.

I have not read it yet. Are you familiar with the range of costs and the various fees that the different institutions charge? Is that pretty consistent?

Mr. ELMENDORF. I am not an expert to testify. But I think the fee for the CSS and the ACT is between \$6 and \$7. There are other people that could answer that.

Mr. ERDAHL. Is part of the problem the so-called free form, or the free Federal form, that it really had not been distributed widely enough to institutions?

Is it a question of timing or a delay that will be taken care of with the time?

Mr. ELMENDORF. No, sir. I will let Mr. Moore answer that.

Mr. MOORE. This is a document in question, the application for Federal student aid for the 1982-83 school year.

We printed 10 million of these during January of this year. The first order we distributed in cartons of 100. We had an order form that is distributed to every institution and high school and every library and scholarship agency and the State correction facilities which allows them to order these in the quantities of 100.

As of today, 4,909 of most secondary institutions have ordered at least one or more boxes of this form. We have in our total participating universe just shy of 6,900 institutions.

We are lead to the conclusion that apart from those 4,900, as was mentioned a moment ago, that the other 2,000 require the use of one or both of these. They do not elect to use this.

We have stayed at about the same kind of distribution schedule as we had in prior years, that is, with the old basic grant application.

May I say that this is the first year for a Federal aid application prescribed in the 1980 amendments. In prior years this application was only for the basic program.

Mr. ERDAHL. Thank you.

I have no further questions.

Mr. SIMON. I understand that three out of five of the colleges surveyed by COPUS and USSA, say they do not have the Federal form.

Mr. MOORE. That may well be true because those schools, or the ones that I think were surveyed, were within a stone's throw of where we are sitting, undoubtedly use a service form and not this one.

I could get a list of a couple hundred schools within 100 miles of where we are that probably use this one.

One other point I would like to make here is a technical one. It is of concern to us because it costs money.

We have no way of controlling in our processing system for programs in the title IV eligibility as to how many of these documents and individual students are involved.

The only time that we can control the data entry is at the point in the final evolution of the computing when the computer in Santa Monica would spit out the student eligibility report.

Therefore, if the student files one of these, it costs us \$1 or \$1.71 for this one. If he files two of these, we have to pay the \$1.71 twice because his form has gone all the way through the system up to the point where the computer will not accept it because it is not an official record.

It is to the extent where we have students filing two, three, or four of these. Our costs are run up. That is why we try to keep the application flow directed at one form or another, but not interchangeably.

For that reason I believe the institutions, as Dr. Elmendorf indicated earlier, those that use this form [indicating] will continue to use it and not this one [indicating] because of the danger of getting the unofficial applications in the stream.

The schools that want the ancillary data want this form and they do not find it on that one.

Mr. SIMON. What is the typical fee that is charged by the two?

Mr. MOORE. It is either \$6 or \$6.50, that is, for this form.

For the renewals, there is an additional charge for filing the multiple copies of the eligibility statement of the institutions which would apply, or high school students entering next year.

But for the students in college that would be renewing, he does not have to pay that. He just has to buy this document right here.

Mr. SIMON. Mr. Erdahl?

Mr. ERDAHL. I have another question in looking over the material.

Evidently there are certain student groups advocating that there be a refund of some of this.

What would that entail? It would seem rather awkward for the amount involved. It may cost you more to do this or you may decide \$6.50 is not that important.

Mr. MOORE. The \$6.50 was paid to one of the service agencies, not the Federal Government, for processing and information.

We have this Federal form in this marvelous 1040 style. We have paid every nickel that is allowable under Federal contracting procedures for processing as the law requires for the Secretary prescribed data element. We cannot pay for anything else.

Therefore, I would submit that if one brings suit against us for a refund, then I doubt the court would entertain it so far as the Federal Government providing a refund is concerned

As to students, that is another matter.

Mr. SIMON. Thank you.

If you do not mind waiting for a few minutes here, we do have a rollcall on the floor. We will recess for about 10 minutes.

[Recess taken.]

Mr. SIMON. The subcommittee will resume the hearing.

I apologize for the long 10-minute recess.

Let me at this time say this, Dr. Elmendorf. The one area that we have not touched on, and it is a crucial area, is this. Under the old forms, there was the checkoff. That permitted the student who was only going to get or, that is, applying for Federal aid; is that correct?

Mr. ELMENDORF. No, sir.

Mr. MOORE. Only the basic grant. We make a distinction between the basic grant or the single grant program and the programs authorized.

Mr. SIMON. Thank you.

That permitted the student to fill that out without paying?

Mr. MOORE. That is right. In the basic grant program only the Department can establish eligibility of the student. This cannot be done in the institution. Their role is limited primarily to the grant payment.

Mr. SIMON. I understand that, but my concern is why that check-off was eliminated. That is my concern.

Mr. MOORE. It was in there originally for the convenience of the student—that is, in the first instance.

Second, as the applications grew, that is, as the volume grew over the past several year—the volume in 1981 and 1982 is down a little bit from the prior year, but the cost of handling that phase of the application process became very, very large.

In that situation, there was the basic grants only option. The student pays no fee to the service. Therefore, in order to get the data processed, we have to pay, in addition to what we would pay the service, against forwarding the data element on a tape to us. We have to pay a whole set of additional costs which are required for the services to take the document in and review it for accuracy.

Very frankly, in a bureau where all the costs are under examination, as in all departments by everybody, and when the student can apply for the basic grant in two parallel ways—one is by direct application and the other by the checkoff system—this is what happens.

In the second method, it costs the Government three times what the first method does. Prudent management will dictate that this occur.

Mr. SIMON. Excuse me. You say a series of costs. What are you talking about?

Mr. MOORE. The costs incurred by the processing agency that originate from their costs of opening the mail, processing the document, checking it for accuracy. It is that whole thing.

Mr. SIMON. But the cost to the Federal Government is what I am concerned with. What is that under the old system?

Mr. MOORE. Under the old system—well, let me differentiate between the two ways that we were handling this.

If a student submitted this purple form which I think I have a copy of, and if he applied for the Pell grant and the other, then he submitted a fee which I think last year is shown.

That took care of the handling of all the work that went in as to the data elements and the elements of getting it back to the school.

We subsidized the costs involved in taking off the data elements for the Pell grants and submitting them to us in Santa Monica.

When the student checked this, he sent no fee to the services. Therefore, we had to pay the transmittal cost plus any additional costs involved in servicing this entire form.

Mr. SIMON. That was \$6.50? What did the Federal Government end up paying?

Mr. MOORE. We paid about \$3.80 for that process last year versus \$1.71 for the form that came directly to Santa Monica. The same end product was present in both instances.

With that as background, 1 year ago when we came up to the design of these forms to carry out the new law which has now been expanded as to the Pell grant business to all of the types and because of that, and because we wanted to actually keep the number of forms down really to two, we elected to use only the direct Federal form, plus this one with a fee that is attached.

We would put the option before the institutions as to which one they wanted to use. That basically is it in a nutshell.

Mr. SIMON. I guess my concern here is this. I have expressed the concern about the additional barrier for the student.

I guess my second concern is the clear intent of Congress which was that this be continued as a free service for the students.

Knocking off the checkoff form and failing to subsidize this seems to me, just offhand, without having gone through a great legal analysis, to be contrary to certainly what we intended.

That is, at least as to what one member intended.

Mr. MOORE. From our standpoint we would have to argue that the legislation is, in my mind, quite clear. It tells us clearly that the cost of processing the data elements prescribed by the Secretary shall be at no cost to the parent or student.

It also clearly tells us that you contemplate a form like this. There is included there language about this and the simultaneous collection of other data to be used by the States and by the other agencies.

When you use the term "simultaneously," you have some kind of a combined form. Otherwise, that section, I assume, would not have been in there.

Therefore, what we did is give effect to both of those requirements. As I said repeatedly, on this one, the true cost of this form to the student is on the order of \$8.35.

He pays \$6.50; we pay the remainder to the agency.

I want to make this distinction between the Pell grants. All of the other information—well, Dr. Elmendorf indicated earlier that these are very special forms.

There are questions such as: Are you a resident of Vermont? Was your grandfather familiar with the Indians? This would be to get some sort of State award.

All of that is clear outside the purview of the Department. What we have on this form, in contrast to the Pell grant situation a year ago, is a cost that is associated with the 42 questions that are prescribed by the Secretary.

The Pell grant option does this. All the form carried was data for the Pell grants. It carried nothing else at all. We simply paid for the data, its processing, and transmission to us that was required for the Pell grants.

I have talked with lawyers about this, but I am fairly certain that in this configuration this year we would be stopped by Federal contracting procedures from paying any more money to the processors than we are now paying for the use of this form.

This is because the data and its use have nothing whatever to do in the collection arena for the eligibility for the title IV programs.

Mr. COLEMAN. Do you consult with the services in putting that together?

Mr. MOORE. Yes, sir.

Mr. COLEMAN. Are you consulting about the 1983-84 year?

Mr. MOORE. Yes.

Mr. COLEMAN. When do you estimate that to be finished?

Mr. MOORE. Our timetable is, in part, contingent upon the printing schedule that the services have. They typically will produce a much larger volume of the forms. I think last year it was 15 million or 18 million for this. We tried to get the specifications finished through our contract office.

This will be prior to the first of June so that they could go to print in July and have the forms available in September and October for the school year.

Mr. COLEMAN. So, you are still working on this year for next year?

Mr. MOORE. We are working on next year's. This form is being used now. You are addressing the 1983-84 year.

Mr. COLEMAN. If there is a change, you have to do it before June of this year?

Mr. MOORE. Yes, sir; it would have to be done extremely promptly. Otherwise, we would have to delay everything, or several million forms and several million students.

Mr. COLEMAN. Thank you.

Mr. SIMON. Dr. Elmendorf?

Mr. ELMENDORF. We would have to amend our request for supplemental funds, the S&E funds if, in fact, that would become a reality. We did not plan for that to be a reality for next year.

Therefore, we have understated what the processing costs would be.

Mr. SIMON. I guess—I am thinking out loud here with my colleague—but I think that any further delay or confusion on the 1982-83 is not desirable.

I think it was clearly the intent—and I have had staff counsel look this up. But all the rules and regulations, guidelines, instructions, and application forms published or promulgated pursuant to this title, shall be provided to the Committee on Labor and Human Resources in the Senate and the Education and Labor Committee in the House of Representatives, at least 30 days prior to their effective date.

To my knowledge this was not submitted. Is that correct? Or is that not correct?

Mr. MOORE. I believe it was not. I have to apologize on behalf of the Department.

What we did do on the date of January 12 was to send a letter to each member over the signature of the Assistant Secretary for Legislation, advising the members of the existence of these forms and the changes that were made in them, and typically over the years.

Some members have wanted basic grant forms to distribute in their home districts. These contain the order forms.

I am not putting this out as complying with that section.

Mr. SIMON. This is a letter that went out in January. When was the form printed?

Mr. MOORE. That was printed during January. We sent copies of it, well, we sent an order form.

But I could not say for the record that we actually had sent a copy of this document as we undoubtedly should have. We dropped this behind second base.

Mr. SIMON. I think for 1983-84 the law ought to be complied with in that respect.

Mr. MOORE. Yes, sir.

Mr. SIMON. I think also—and I just speak as one member—we will try to make clear to the department what our intent was. But I think it was the intent that there should be no financial impediment whatsoever to the students who make applications so that the checkoff form, I hope, in 1983-84 school year will be back there again.

Mr. MOORE. Yes, sir.

Mr. ELMENDORF. Yes.

Mr. SIMON. We thank you very much for appearing today.

[Questions for the record will be submitted as follows:]

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March 18, 1982

Dr. Edward Elmendorf
 Deputy Assistant Secretary
 for Student Financial Assistance
 Department of Education
 Washington, D.C. 20202

Dear Ed:

Please find enclosed the questions which we would like answered for the record in connection with this morning's hearing on the processing of Federal student aid applications. I would like to have your response no later than close of business on March 26, 1982.

In addition, as Bud Blakey mentioned to Jim Moore, I would like to have copies of the three contracts the Department entered into for the processing of Federal student aid applications for the 1982-83 school year. Please have these delivered to my office by close of business on Friday, March 19, 1982. In the event you are unable to meet this request, please contact Bud Blakey no later than noon on Friday.

Paul Simon
 Chairman

PS/wbd
 Enclosures

QUESTION 1: Prior to the 1980 Higher Education Amendments, were students required to pay a fee if they were applying for Pell Grants?

ANSWER : Prior to the 1980 Higher Education Amendments, students applying only for Pell Grants did not pay a fee. Applicants had two options--either to use the Pell form or use one of the Service's forms. As a matter of convenience, a check-off was included on the Service forms so the student could use the Service form to apply for a Pell Grant in which case he paid no fee for using the Service form.

QUESTION 2: Is it not true that Section 483(a) of the Higher Education Act requires that students not be charged a fee for processing Federal student financial assistance data?

ANSWER : Section 483(a) provides that no student may be charged a fee for processing the data elements prescribed by the Secretary for Title IV eligibility.

QUESTION 3: Did the Department of Education instruct the Services to delete that question on the form which determined if a student was applying for Pell Grants only or for other types of financial aid?

ANSWER : Yes, the Pell Grant only check-off was eliminated at the instruction of the Department.

QUESTION 4: Why did the Department instruct the Services to delete that question?

ANSWER : The check-off was eliminated because student convenience was overshadowed by the heavy costs also created with the use of the Service forms for Pell Grant applicants only.

QUESTION 5: Before the Department instructed the Services to delete the Pell Grant question, it is my understanding that you did request an opinion from the Department's Office of General Counsel? Is that correct? On what date did you request the opinion? When did you receive it? On what date did you instruct the Services to delete the Federal assistance question?

ANSWER : A legal opinion was requested of legal counsel on March 6, 1981, and received on March 11, 1981. The Services were notified on June 30, 1981.

QUESTION 7: The General Counsel's response is that institutions are "free to develop reasonable criteria to select aid recipients..." and further that "If an institution uses selection criteria that require an applicant to supply it with information over and above the information required for the determination of the student's financial need...aid that information needs to be processed to be useful, we do not believe that Section 483(a) precludes a charge to the student for such processing." I do not see any reference in the General Counsel's opinion about charging fees for processing of the Services' forms which we are discussing. The question of the institutions right to charge a fee for processing additional information is not the one we are faced with if I understand the question before us correctly. Rather it is a question of whether those nationally used forms prescribed by the Secretary may require a fee to be charged. Would you care to comment?

ANSWER : The nationally used Service forms contain in effect two sets of charges, the first are those specific charges linked to processing those data elements prescribed by the Secretary for establishing eligibility for Title IV programs. These are fully subsidized by the Federal Government. The second set of charges are those required of the student for processing all the other data elements in the form as required by institutions or States. There has never been a question as to whether or not fees could be charged a student for processing the data elements prescribed for Title IV eligibility in as much as the law clearly precludes any such charge. Further, since processing costs for the Federal portion of the service forms ~~has~~ already been totally subsidized, there is no possible means at hand for these subsidized costs to be levied against student applicants.

QUESTION 8: Did you at any time specifically ⁵ as the General Counsel if it would be legal to charge students who are applying for student financial aid from the Federal Government only if they used the forms agree to by the Secretary and the Services? If so, what was the response?

ANSWER : This question was not raised with General Counsel in as much as the decision had been made not to employ the Services forms for Federal eligibility purposes only. The ~~free~~ Federal application was designed for those students who opted to apply only for Title IV assistance.

QUESTION 10: Do you have any idea how many students who are applying for Federal aid only, have already paid the fee this year?

ANSWER : No, because it is not possible for a student to apply for Federal aid only utilizing one of the Services forms.

QUESTION 11: How many of the common Federal forms have been filled out by students so far this year?

ANSWER : As of March 24th the following applications have been processed:

1,341,822	- Federal Form
830,708	- ACT Form
2,491,369	- CSS Form
<u>229,249</u>	- FHEAA Form
5,093,148	TOTAL APPLICATIONS PROCESSED

QUESTION 12: Are you aware that the intent of Congress specifically was that no students be charged a fee for processing of Federal student financial aid applications and that this fact is not only stated in Section 483(e) of the Law but also in the Senate Committee Report accompanying the Education Amendments of 1980?

ANSWER : The answer to this question is yes. However, it should be pointed out that there is a marked difference between the phrase "processing of Federal student financial aid applications" and "processing the data elements prescribed by the Secretary for financial aid eligibility." The Federal student aid application which is limited to the elements prescribed by the Secretary is of course processed without charge to the student.

QUESTION 13: When you were deliberating this course of action at the Department of Education and the Office of Management and Budget, why weren't the Senate and House Subcommittees which have oversight jurisdiction for student financial assistance informed of your intentions?

ANSWER : This decision, namely that of providing two separate parallel forms, was part of contract negotiations between the agency and the MDE processors. Generally the proposal submission review and contract award processes are restricted to those persons within the agency who are required to carry it into completion.

QUESTION 14: When you instructed the Services to delete that question, was there any discussion about including a statement in the general instructions on the form to inform students that they did not have to pay a fee if they were applying for Federal aid only or that there was an alternative form available for which no fee was required?

ANSWER : There was discussion^{ed} as to including cross reference statements on both the processor form and the free Federal form to indicate the availability of the other one. The statements were eliminated in as much as we believe the state and institutional coordination efforts should be recognized.

QUESTION 15: Do you know how many students apply for Federal assistance only?

ANSWER : We will know at the end of the year how many students used only the free Federal form. We have no way of knowing how many students wish to apply only for Title IV assistance. This information is available only in the participating institutions.

QUESTION 16: It is our understanding that another form is available for Pell Grants and other Federal aid programs. However, this form was not distributed until after January 1, of this year. How many institutions were sent the common Federal application form? Do you know how many institutions are making that form available to students.

ANSWER : As of March 18th 4,909 institutions had ordered supplies of the free Federal form from us. Obviously all of those institutions make that form available to their students. We might add that institutional orders are filled by boxes of 100 applications each.

QUESTION 17: Has the Department given any consideration to how they will refund the fees which have been charged to students applying for Federal aid only?

ANSWER : No. Fees to students have not been charged by the Federal Government but are part of the normal charges made by the ~~processing agency~~ ^{STEP}. It is doubtful that the Federal Government would be in a position to refund fees charged by a private non-profit agency in the course of services that it provides the student.

QUESTION 18: Department of Education officials have informed us that in at least one state a specific Service form is required for all schools. In that case it would not be possible for a student applying for Federal aid only to use the common Federal form. How do you plan to address this problem? In how many states does this situation exist?

ANSWER : At last count 47 of the 50 states use one of the services forms for the award of state grants. Three states, namely New York, Illinois, and Ohio, use a specific state form. In some states such as California a single student aid application is prescribed for applicants in all of the public institutions as well as the state program.

Clearly any student who wishes to may elect to submit the free Federal form for processing to the Department of Education's contractor. Results will be forwarded to institutions designated by the student. Beyond eligibility for a Pell Grant specifically a decision as to what additional data might be required to determine eligibility for Title IV programs is a matter for institutional determination.

QUESTION 19: Let me pose a hypothetical question for you: If I am a student planning on attending UCLA and am in need of student financial assistance, I would have to use the Financial Aid Form provided by the College Scholarship Service since the State of California is one of the 18 states which specifically mandates the use of that form. Even if I only need to apply for a Pell Grant, I would still have to use that form and would have to pay the fee required. Isn't that true? Doesn't the fact that I have to pay a fee to apply for a Pell Grant only fly in the face of the expressed intent of Section 483(a) and the intent of Congress? Isn't it further true that the reason I have to pay that fee is because the Department of Education specifically instructed the Service to remove the one question from the form that would have protected me from the fee?

ANSWER : A student wishing to apply only for a Pell Grant at UCLA may use a free Federal form since the eligibility index would be provided at UCLA. The fee to be paid by the student in conjunction with the California student aid form is one levy to pay processing cost^s of all but the Federal data elements contained in the application. *The student applying for Pell Grant only would not need to pay any fee if he used the Federal form. California mandates the use of the CSS form only for assistance which requires more needs analysis information than that required for Pell Grant eligibility.*

QUESTION 20: How much was ETS reimbursed (per applicant) for processing Fall only applications last year?

ANSWER : ETS was reimbursed \$4.11 per applicant.

QUESTION 21: How much was ETS reimbursed (per applicant) for processing the Fall elements of non Fall-only applications last year?

ANSWER : ETS was reimbursed \$1.26 per applicant for the core data elements last year.

QUESTION 22: How much is ETS being reimbursed (per applicant) for processing the elements of non Fall-only applications this year?

ANSWER : ETS is reimbursed \$1.39 per applicant in 1982-83 for the elements which are prescribed by the Secretary.

QUESTION 23: How many Fall only applications did the Services (ETS and ACT) process last year?

ANSWER : Since the application year is not yet completed, final figures are not yet available. However, as of March 3, 1982 the following numbers of Fall only applications were processed by the Services:

CSS.....	325,919
ACT.....	120,380
PHEAA.....	<u>15,639</u>
TOTAL	461,938

QUESTION 24: How many Fall only applications did the Services process between January 1, 1981 and March 30, 1981?

ANSWER : The following numbers of Fall only applications were processed between January 1, 1981 and March 30, 1981.

CSS.....	96,062
ACT.....	41,638
PHEAA.....	<u>8,688</u>
TOTAL	146,388

QUESTION 25: How many Pell only applications did the ~~Services~~ ^{Department} process between January 1, 1981 and March 30, 1981.

ANSWER : No applications were processed by the Department during this period since processing did not begin until April 15.

QUESTION 26: When were the ETS and Federal financial aid forms printed?

ANSWER : The ETS forms were printed in October 1981. The Federal financial aid forms were printed in January 1982.

QUESTION 27: When and how were they distributed?

ANSWER : The institutions and State agencies that require the use of the ETS form request supplies as needed.

The Office of Student Financial Assistance mails out "invitation to order letters" to eight sectors. See below for break down.

<u>Sector</u>	<u>Date Mailed</u>	<u>Quantity Mailed</u>
Pell Grant Participating Institutions	Oct. 1981	6,796
State Scholarship Agencies	Dec. 1981	100
TRIO Project Directors	Nov. 1981	1,450
Public High Schools	Nov. 1981	23,200
DOD High Schools	Nov. 1981	282
Public Libraries (Main & Branches)	Nov. 1981	15,300
Congressional (Senate & House)	Jan. 1982	535
Senate Corrections Facilities	Jan. 1982	5,100

QUESTION 28: For how many years have students been provided with the option of using the Services' forms for Pell-only aid, without a fee?

ANSWER : Academic years 1978-79 through 1981-82, which comes to 4 years.

QUESTION 29: Describe all contracts between the Department and other organizations to support training, information and other services to students, parents, school counselors and aid administrators?

ANSWER : Through the 1981-82 national training contract with a consortium of the American Personnel and Guidance Association (APGA), the National Association of College and University Business Officers (NACUBO), and the National Association of Student Financial Aid Administrators, 296 training workshops on the title IV student aid programs were held for high school guidance counselors and counseling personnel from non-school community based agencies. The sessions reached a total of over 13,000 counselors.

Fifty-five update workshops were held for 3,450 experienced financial aid administrators.

Fifty-one of the total fifty-four workshops for institutional administrators to be held, have already reached approximately 2,750 institutional personnel.

A series of ten five-day inexperience workshops (summer institutes) will be held this summer. We anticipate approximately 800 participants.

The Federal Student Information Center, contracted through Biospherics, Inc., is equipped with a toll-free 800 number that responds to all inquiries regarding the financial aid programs. They also provide written responses to the general public and the financial aid community.

QUESTION 30: Have you contracted for the evaluation and improvement of financial aid and financial aid information services through reviews involving direct participation by students and members of student families, student peer counselors and members of student and consumer organizations?

ANSWER : Through a contract with Rehab Group, Inc. (and Macro Systems, Inc.) a field test was conducted. The purpose of the Basic Grant Field Test was to create a testable prototype 1982-83 application form, to test and evaluate it, and to recommend ~~and~~ needed improvements. In addition, the study ~~was~~ investigated the feasibility of alternative application formats. Two alternatives were designed, created, and field tested, a short form, and a split short form. Both high school seniors (chosen by their guidance counselors) and current aid recipients (chosen by their financial aid administrator) participated in the study.

QUESTION 31: What steps has the Secretary taken to provide pre-eligibility assistance to students and their families?

ANSWER : The Department of Education is not required to provide a "pre-eligibility" assistance to students and their families. However, anyone interested in this type of information can file a ^{free} Federal Financial Aid Form to find out approximately what their eligibility index would be.

Mr. SIMON. Our next witness, Ms. Wickstrom.

I will have to leave at about 5 minutes until 12. We did not anticipate the series of rollcalls we had. My colleague is going to have to leave sooner than that.

I would also like to ask Ms. Rosenberg and Ms. Fine to come up also, if they wish.

I would ask each of you to give a 2-minute summary. I hate to ask you to do this, but you see what the situation is.

Ms. Wickstrom?

You may proceed.

STATEMENT OF NATALA K. WICKSTROM, VICE PRESIDENT FOR STUDENT COLLEGE SCHOLARSHIP SERVICE, COLLEGE ENTRANCE EXAMINATION BOARD, ACCOMPANIED BY LAWRENCE E. GLADIEUX, EXECUTIVE DIRECTOR, WASHINGTON OFFICE, THE COLLEGE BOARD, AND GERALD T. BIRD, DIRECTOR OF FINANCIAL AID, UNIVERSITY OF ALABAMA AT BIRMINGHAM AND MEMBER, COLLEGE SCHOLARSHIP SERVICE COUNCIL

Ms. WICKSTROM. Thank you, Mr. Chairman.

I would like to ask Mr. Gladieux to lead off.

I would also ask that my prepared statement, in its entirety, be placed in the record at this point.

Mr. SIMON. Without objection, so ordered.

[Prepared testimony of Natala Wickstrom follows:]

PREPARED TESTIMONY OF NATALA K. WICKSTROM, VICE PRESIDENT FOR COLLEGE SCHOLARSHIP SERVICE, COLLEGE BOARD, ACCOMPANIED BY LAWRENCE E. GLADIEUX, EXECUTIVE DIRECTOR, WASHINGTON OFFICE, COLLEGE BOARD AND GERALD T. BIRD, DIRECTOR OF FINANCIAL AID, UNIVERSITY OF ALABAMA—BIRMINGHAM, AND MEMBER OF COLLEGE SCHOLARSHIP SERVICE COUNCIL

MR. CHAIRMAN AND MEMBERS OF THE SUBCOMMITTEE, on behalf of the College Scholarship Service of the College Board, we are pleased to participate in this hearing and to help in any way possible to facilitate the most effective delivery of student assistance throughout the country.

Before answering your specific questions, let us say a brief word about the organization we represent. The College Board is a national, not-for-profit association of more than 2500 schools and colleges, committed since its founding in 1900 to help students make the transition from high school to college. The national goal of broadening and equalizing opportunities for higher education, embodied in historic legislation shaped by this Subcommittee over the past 15 years, has also been the unchanging goal of the College Board.

The College Scholarship Service, or CSS, was founded in 1954 by members of the College Board who sought agreement on common practices and standards for awarding scholarships and other forms of aid to their students. Its creation was a milestone in the movement to broaden educational access, specifically to help remove financial barriers to higher education. It came at a time when the federal government had yet to undertake a major commitment to need-based student aid and only a few states had started such programs.

Today CSS is an association within the College Board comprised of nearly 1200 members, including campus (and state) financial aid administrators, college admission officers, guidance counselors, and students. Its mission, as in the mid-1950s, is to bring about equity and consistency in the administration of student assistance and, more broadly stated, to help eliminate family and individual financial circumstances as a factor in determining whether and where one can attend college in our country.

In the past 25 years, of course, student aid has grown dramatically, especially as a result of major investments by federal and state governments. Not surprisingly, the dollar expansion and growth in the number of programs and sources of aid have brought greater complexity--which creates a confusion of forms, deadlines, rules and regulations facing students and parents. CSS has throughout this period sought to work in partnership with government and other agencies to help streamline the system.

Beginning in the mid-1970s all parties in the student financial aid process recognized the need for stronger coordination. CSS was a leader in convening the National Task Force on Student Aid Problems, chaired by Francis Keppel, former U.S. Commissioner of Education, and CSS was the first organization to implement that Task Force's recommendation for adoption of a common form by which students could apply for all types of student assistance. CSS has continued to support that concept and the resulting "multiple data entry," or MDE, system. This mechanism currently makes it possible for the vast majority of aid applicants to fill out one form for federal, state, and institutional funds.

As further background to the questions about the 1982-83 application process to which you have asked our response, we are attaching a copy of a statement entitled, "The Future Directions of the College Scholarship Service: A Policy Statement of the CSS Council." Adopted in December 1980, this statement has directed CSS actions in the matters which lead to this morning's hearing.

The statement contains two passages pertinent to our discussion: "The CSS Council believes that multiple data entry (MDE) is essential to the ongoing vitality of a coordinated financial aid delivery system. Continuation of

multiple data entry will permit most students to submit only one form to be considered for all types of financial aid." It continues, "The CSS Council believes that the College Scholarship Service and its membership should vigorously pursue a continuation of MDE as a means of averting a proliferation of forms and assuring that, for most applicants, a single form will continue to suffice . . . The Council further asserts its continuing support for the provision of adequate guidance materials that clearly communicate application and form requirements for institutional, state, and federal aid programs to students, families, and secondary schools."

The statement was unanimously approved by the financial aid officers, secondary school counselors, state scholarship and loan administrators, and students who make up the Council, the primary governing board of CSS. It has served as our operational policy document throughout the discussions with the Department of Education which have led to the CSS role in MDE for the current processing cycle.

Question #1

Mr. Chairman, the first question you have asked is: "What specific instructions did you receive from the Department of Education regarding elimination of that question on the application form which determined if a student was applying for federal aid only?" The application form sponsored and processed by CSS is called the Financial Aid Form, or FAF. The 1981-82 version of the FAF permitted the student to use an FAF to apply for Pell Grants without paying an application fee. The new version of the FAF, now in use for the upcoming year 1982-83, does not allow this option.

On March 11, 1981, representatives of the Department of Education told CSS staff that the Pell-only/Federal-only option would not be permitted under

the provision of our MDE contract with the Department for the 1982-83 academic year. We opposed that alteration on grounds that it would constitute a shift away from the single form concept and goal. The other MDE processors--the American College Testing Program (ACT) and the Pennsylvania Higher Education Assistance Agency (PHEAA)--also strongly opposed the change. At the same time, all MDE processors received the Department's General Counsel ruling that an institution and/or state agency might require additional data elements for purposes of deciding among a pool of eligible candidates, and that students could be charged fees for the collection and analysis of such data.

Subsequently, we proceeded to follow the directions set forth by representatives of the Department to alter the FAF from the 1981-82 version that included the check box in Item 41, to the 1982-83 version which did not include this option. We submitted the final version of the form and it was approved, as revised, on October 6, 1981. We have also received notification of the modification of our MDE contract that now limits our level of activity to that necessary to process only those forms used by both CSS and the federal government, eliminating the former Pell-only option (the contract refers to "BEOG ONLY").

CSS notified members and users of the change through a special bulletin issued on June 10, 1981. A notice of similar nature was issued by the Department to institutions in October. CSS notified institutions of this revision in procedure again in January 1982, as we began the processing cycle.

The CSS Council shares the Congressional concern about student application fees and, as a result of the departmental action eliminating the ability of MDE contractors to process federal-only documents free of charge to students, has instituted a fee waiver program for the 1982-83 FAF. The program is

directed toward very low-income entering students, waiving fees for processing data required for state and institutional purposes. Therefore, the neediest students are able to apply not only for federal but also state and institutional assistance without fee. The Council met last week and reaffirmed its commitment by approving continuation of the program and directed staff to seek additional resources to extend the program as widely as possible in the future.

Question #2

Your second question, Mr. Chairman, was: "Why isn't a statement included in the general instructions that a student applying for federal assistance only, should use a different form?"

The 1981-82 and 1982-83 versions of the FAF are attached. Both last year and this year, the form (as well as all CSS guidance materials provided to students and counselors) clearly advise and urge the student to "check with the colleges you want to attend and your state scholarship or grant program to see if they need a copy of the FAF."

Mr. Chairman, as in 1954, colleges and universities today award a great deal of student aid from their own budgets and from other private sources. (The pie chart attached to this testimony illustrates the relative proportions of assistance from different sources.) More than 80% of institutions surveyed by CSS two years ago indicated that the federal form was insufficient to meet their data needs. With the exception of a few state scholarship/grant programs, state agencies use a version of an MDE processor's form. Twenty-seven state scholarship agencies use a state-specific FAF because they require additional information--and more than two-thirds of those states do so under provisions of state law. State data requirements

alone apply to two-thirds of the students who file an FAF. Directing such students to a federal-only form that does not permit entry to those programs and access to those funds would not assist students--especially when an MDE document is available to meet federal purposes and state needs as well.

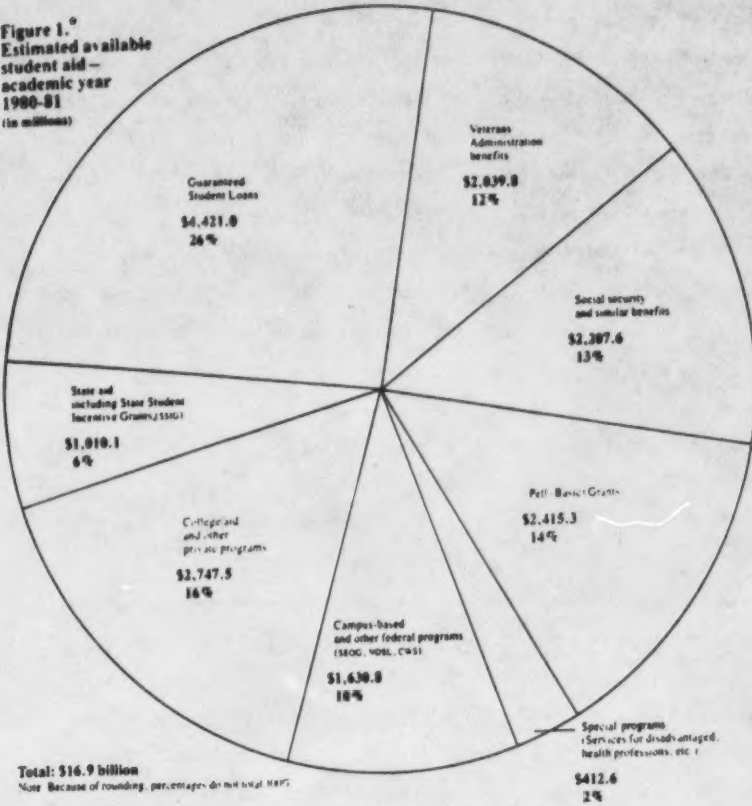
For 1982-83, we have printed nearly 16 million FAFs in over 30 different state versions and they have been distributed to 50,000 sites. One and one-half million students have already filed an FAF. Within a few weeks, the majority of the entire year's data collection activity will be completed and data will have been submitted to the prime contractor for 98% of those applicants.

To stop the system to implement a change at this point--considering that the federal processing has just begun--would do just that: stop the system. That would seem to serve no one's interest, particularly those of the students whom we all wish to serve.

It is reasonable to begin to seek a solution for the 1983-84 data collection process. We are already six weeks behind last year's calendar for making the system operational a year hence--and last year's delays stretched the system to its limit. Members of CSS have clearly stated their position on the matter: they support the continuation of MDE, a mechanism already in place to allow students to apply for state, institutional and federal dollars through one form. Mechanisms for data collection and transmission can be devised. We have several former models as an historic basis. But the principle must be agreed upon soon. The absence of clear agreement will assuredly lead to greater confusion, move us from achieved goals of access to higher education, and result in monumental costs: most markedly, "costs" to students and to society in the form of lost educational opportunities.

Thank you again for permitting us to share this information with you, and we shall be glad to answer your questions.

Figure 1.*
Estimated available
student aid—
academic year
1980-81
 (in millions)



*The College Cost Book 1981-82, College Entrance Examination Board



FUTURE DIRECTIONS FOR THE COLLEGE SCHOLARSHIP SERVICE
A Policy Statement of the CSS Council

Historically, the chief mission of the College Scholarship Service has been to advance access to postsecondary education by providing services that support the delivery of financial aid to needy students. The CSS intends to continue in that mission, both in response to the particular needs of its membership and through cooperative agreements with the federal government.

As a voluntary association of secondary schools, education organizations, state agencies, and postsecondary institutions, the CSS is committed to:

- maintaining a reasonable national standard for measuring family ability to pay for postsecondary education.
- providing guidance materials, application forms, and supporting services that assist students and families in understanding and applying for all kinds of financial aid for which they may be eligible.
- providing information and services that institutions and state agencies need for timely and effective delivery of financial aid to students.
- analyzing the effects of student aid policies and practices on postsecondary access and choice.

The 1980 Reauthorization of the Higher Education Act is ambitious and important legislation, for students and postsecondary institutions alike. The CSS Council has advised staff to take every possible action to support effective implementation of the parts of the new law concerned with the delivery of student financial aid. The Department of Education's interpretation of this law and plans for its implementation are uncertain at this point. Nevertheless, the CSS Council has taken the initiative of stating its fundamental intentions and goals.

The Schedule for Implementation

The CSS Council believes that an early resolution of the technical and delivery issues raised by the Reauthorization is essential to the continuing stability and vitality of student financial aid programs across the country.

The Department of Education's Office of Student Financial Assistance has declared its intention to announce by January 1981 — and to publish by April 1981 — its proposals for a federal form, family contribution schedule, and delivery system for the 1981-82 processing year (the 1982-83 academic year).

Every effort should be made to support this critical time schedule. Institutions, states, and agencies such as the CSS need detailed federal plans as early as possible to make informed decisions about forms, publications, systems, and services for the 1981-82 application and processing year. Any delay of federal decisions beyond April 1981 would force many institutions and states to make independent decisions about their own programs or necessitate a continuation of the existing delivery system.



COLLEGE SCHOLARSHIP SERVICE OF THE COLLEGE BOARD
888 SEVENTH AVENUE, NEW YORK, NEW YORK 10019 (212) 582-6210

The College Scholarship Service should and will announce its service offerings for the 1981-82 processing year by April 1981.

Determining Student Eligibility and Financial Need

The CSS Council believes that a national standard of ability to pay for postsecondary education should have a sound economic rationale. The Council plans to develop and advance such a standard. This standard must produce reasonable and consistent results for students and parents in varying financial circumstances, and at the same time serve state and institutional needs.

Ideally, the federal standard embodied in the Reauthorization will be compatible with the standard developed by the College Scholarship Service. The Council has instructed staff to pursue this outcome vigorously.

Student Aid Forms

The CSS Council believes that in content and design, student aid forms should strike a reasonable balance between ease of completion for students and families, and sufficiency of data for aid administrators who want to award both public and institutional funds in the most equitable and sensitive manner possible.

The Education Amendments of 1980 provide for the development, in consultation with the postsecondary community, of a federal form that would be used in determining eligibility for federal student aid funds. The new law also provides for the simultaneous collection of additional information by means of data elements incorporated into, or appended to, the federal document.

The data elements contained in the federal form would ideally include not only those specifically required by statute to establish eligibility, but also those necessary to support effective administration and coordination of both federal campus-based programs and other state and institutional aid. Optimally, the elements required by institutional and state administrators could be combined with the Congressionally mandated elements in a logically sequenced, integrated document. Alternatively, the additional data elements could be provided as a supplement to the basic form, recognizing the separate nature of the programs to be served but maintaining the benefits of a common application for federal and other sources of aid.

The College Scholarship Service has already developed, and circulated for review, a comprehensive need analysis document in which federal data elements are imbedded. In addition, the CSS has designed prototypes for both a federal "core document" and a supplement. The Council has called on the CSS to be prepared to process these or similar forms in the 1981-82 processing year (1982-83 academic year) for those institutions and states that require additional data.

Multiple Data Entry and Support Services

The CSS Council believes that Multiple Data Entry (MDE) is essential to the ongoing vitality of a coordinated financial aid delivery system. Continuation of multiple data entry will permit most students to submit only one form to be considered for all types of financial aid. The College Scholarship Service contributed to the creation of this system and has consistently supported its effective implementation.

The reauthorizing legislation and conference report support the continued coordination of institutional, state, and federal forms and information -- calling for multiple processors and providing for simultaneous data collection.

Some institutions and state agencies will decide that the federal form, system, and results will be sufficient to award financial aid. Others will find that additional information and/or services are needed for the effective administration of their student aid programs.

The CSS Council believes that the College Scholarship Service and its membership should vigorously pursue a continuation of MDE as a means of averting a proliferation of forms and assuring that, for most applicants, a single form will continue to suffice.

The CSS Council also believes that colleges and states have benefited from supporting services and publications operated by the College Scholarship Service in conjunction with its central need analysis activities. These services include state-specific forms, data editing, copies of entry documents, customized reports, summary data, training, and technical support.

The new law does not include operational specifications for services to colleges and state agencies, although it is assumed that some options will evolve through the regulatory process.

The Council recommends that the College Scholarship Service develop comprehensive proposals for institutional and state agency service components. Such services should be designed to operate both with the federal application alone and with the combined application and supplement.

The Council urges the continued development of voluntary standards for the effective administration of student aid. Every effort should be made by the CSS to provide information and procedures in support of the exercise of professional judgment and flexibility in the aid office. Specifically, the Council has asked that staff take additional initiatives to develop guidelines and services for the construction of defensible student expense budgets and for packaging procedures to be used in the equitable distribution of aid resources.

The Council further asserts its continuing support for the provision of adequate consumer information, and has specifically called on the CSS to provide guidance materials that clearly communicate application and form requirements for institutional, state, and federal aid programs to students, families, and secondary schools.

Payment for Services

The delivery of financial aid is collaborative. The participants in that collaboration are students and parents, secondary schools, colleges and universities, private donors, state agencies, and the federal government. The CSS Council believes that the costs of delivery should be fairly shared among all these parties.

The new law stipulates that the federal form and program eligibility determination for both the Pell Grant (formerly Basic Grant) and federal campus-based programs should be free to students. While permitting the simultaneous collection of additional data as needed by institutions and states, the law does not speak to the question of financing for additional information nor to the financing of needed support services for management at the institutional or state agency level.

Under the current MDE arrangement, the student pays the primary or base cost for processing of multiple data entry documents, such as the FAF, and the federal government pays only for a portion of the costs associated with processing and transmitting data to the prime contractor. However, the emerging federal system under the new law will be used to determine eligibility for Pell Grant and federal campus-based programs as well. Therefore, the Council believes that the Department of Education should now assume responsibility for all processing and transmittal costs directly related to federal requirements.

The Council further believes that costs for services not federally required should be shared in some reasonable fashion by students, colleges, and states in amounts proportional to the benefits received and services provided. The Council also believes that an income-sensitive mechanism (such as fee waivers) should be developed to assure that economically disadvantaged students are not denied consideration for all forms of financial aid.

Finally, the Council has instructed staff to develop fees for specific services to institutions and states, separate from the fees paid by students.

Members of the College Scholarship Service Council and Executive Committee

Eleanor S. Morris, Director of Financial Aid, University of North Carolina, Chapel Hill,
Chairman

G. Dan Hall, Dean of Admissions and Financial Aid, University of Chicago, Illinois, Vice
Chairman

Edward C. Apodaca, Director of Financial Aid, University of Massachusetts at Amherst

Don A. Arpelli, Director of Financial Aid, University of Nebraska, Lincoln

William E. Bennett, Director of Financial Aid, Cleveland State University, Ohio

Kathy Downey, President, National Student Educational Fund, Washington, D.C., and Chairman,
CSS Student Committee

Sidney W. Farr, Vice President for Development, Colby College, Waterville, Maine

Lola J. Finch, Director of Financial Aid, Washington State University, Pullman, Washington

Robert P. Huff, Director of Financial Aids, Stanford University, California, and Trustee,
The College Board

Ursula H. Hyman, Director of Financial Aid, Southwestern University, School of Law, Los
Angeles, California

Ken Letts, CSS Student Representative, University of Michigan, Ann Arbor

Edward K. McCormick, Director of Financial Aid, Susquehanna University, Selinsgrove,
Pennsylvania

Grealey W. Myers, Director of Financial Aid, New Mexico State University, Las Cruces

Mary Louise Quinn, College Consultant, Staples High School, Westport, Connecticut

Naskell Rhett, Assistant Chancellor, New Jersey Department of Higher Education, Trenton

Edson Sample, University Director, University Office of Scholarships and Financial Aids,
Indiana University, Bloomington

Benjamin S. Sandler, Director of Financial Aid, Washington University, St. Louis, Missouri

*Alonia C. Sharps, Director of Financial Aid, Prince George's Community College, Largo,
Maryland

Ernest E. Smith, Jr., Executive Director, Florida Student Financial Assistance Commission,
Department of Education, Tallahassee

Jerome A. Storvick, Counselor, Clover Park High School, Tacoma, Washington

Curtis B. Whalen, Director of Student Financial Aid, University of North Carolina at
Charlotte

Constance L. White, Undergraduate Financial Aid Office, Yale University, New Haven,
Connecticut

Cheryl W. Wilkes, Director of Financial Aid, Medical College of Georgia, Augusta

Ad Hoc Members of the CSS Council Executive Committee

Norman E. Beck, Director, Student Financial Aid, Ball State University, Muncie, Indiana, and
Immediate Past Chairman, CSS Council

Don M. Batterton, Director of Undergraduate Financial Aid, Princeton University, New Jersey,
and Chairman, Committee on Need Assessment Procedures

Donald McM. Routh, Dean of Financial Aid, Amherst College, Massachusetts, and Chairman,
CSS Council Governance Committee

*Not present at December 11-13, 1980 meeting

financial Aid form

School Year 1981-82

COLLEGE SCHOLARSHIP SERVICE OF THE COLLEGE BOARD

What is the Financial Aid Form?

The Financial Aid Form (FAF) is a form that you fill out if you want to apply for financial aid for the school year 1981-82 from:

- the Basic Educational Opportunity Grant Program (Basic Grant)
- state scholarship and grant programs
- financial aid programs at colleges where you are thinking of going after high school or where you now go.

The information you give on the FAF is confidential.

After you complete the FAF, send it to the College Scholarship Service (CSS). The CSS will analyze it and send the information to the colleges and programs that you list on your FAF. Each college or program then decides whether you will get financial aid and how much aid you will get.

How do I apply for a Basic Grant?

You apply to the Basic Grant Program by checking the correct box in question 41. You'll find more information about the Basic Grant Program on the next page.

How do I apply for financial aid from state scholarship and grant programs and from colleges?

Check with your state scholarship or grant program and the colleges you want to attend to see if they need a copy of the FAF. If so, mark the correct box in question 41. It costs \$5.50 for the first college or program and \$3.50 for each other college or program you list in question 42. Don't send cash. Make your check or money order out to the College Scholarship Service. Some colleges and programs may ask you to fill out other forms as well. You'll find more information about state scholarship and grant programs and financial aid programs at colleges on the next two pages.

When should I fill out the FAF?

Fill out and mail the FAF after January 1, 1981, but at least one month before the earliest deadline of the colleges and programs that you list in question 42. Do not file this FAF after March 15, 1982.

What is my CSS "Estimated Contribution"?

The CSS estimates what you and your family can pay toward your costs for college. Remember that each college or program makes the final decision about how much you and your family can pay. Because of this, the amount that the college or program figures can be higher or lower than the CSS Estimated Contribution.

If you want the CSS to send you information about your estimated contribution and a booklet that tells how the estimate was made, check the correct box in question 43 and add \$1 to your fee. The CSS can send you your estimated contribution only if you ask that colleges or programs other than the Basic Grant Program get a copy of your FAF.

Where do I send the FAF?

After you fill out the FAF, put it in the envelope that you'll find inside this booklet and mail it to the correct address given below.

If you live in:

Alabama AL
Alaska AK
Arizona AZ
Arkansas AR
California CA
Colorado CO
Connecticut CT
Delaware DE
District of Columbia DC
Florida FL
Georgia GA
Hawaii HI
Idaho ID
Illinois IL
Indiana IN
Iowa IA
Kansas KS
Kentucky KY
Louisiana LA
Maine ME
Maryland MD
Massachusetts MA
Michigan MI
Minnesota MN
Mississippi MS
Missouri MO
Montana MT
Nebraska NE
Nevada NV
New Hampshire NH
New Jersey NJ
New Mexico NM
New York NY
North Carolina NC
North Dakota ND
Ohio OH
Oklahoma OK
Oregon OR
Pennsylvania PA
Rhode Island RI
South Carolina SC
South Dakota SD
Tennessee TN
Texas TX
Utah UT
Vermont VT
Virginia VA
Washington WA
West Virginia WV
Wisconsin WI
Wyoming WY

If you live in:

Alaska AK
American Samoa AS
Arizona AZ
Arkansas AR
California CA
Colorado CO
Connecticut CT
Delaware DE
District of Columbia DC
Florida FL
Georgia GA
Hawaii HI
Idaho ID
Illinois IL
Indiana IN
Iowa IA
Kansas KS
Kentucky KY
Louisiana LA
Maine ME
Maryland MD
Massachusetts MA
Michigan MI
Minnesota MN
Mississippi MS
Missouri MO
Montana MT
Nebraska NE
Nevada NV
New Hampshire NH
New Jersey NJ
New Mexico NM
New York NY
North Carolina NC
North Dakota ND
Ohio OH
Oklahoma OK
Oregon OR
Pennsylvania PA
Rhode Island RI
South Carolina SC
South Dakota SD
Tennessee TN
Texas TX
Utah UT
Vermont VT
Virginia VA
Washington WA
West Virginia WV
Wisconsin WI
Wyoming WY

send your filled-out FAF to:

College Scholarship Service
Box 2700
Princeton, NJ 08541

send your filled-out FAF to:

College Scholarship Service
Box 380
Berkeley, CA 94701

If you live somewhere other than the places listed above, send your filled-out FAF to the CSS office in Princeton, NJ.

Will the CSS tell me when it has finished analyzing my FAF?

Yes. The CSS will send you an Acknowledgment after it has analyzed your FAF. The Acknowledgment (including your "Estimated Contribution" if requested) will be sent to the student's mailing address given in question 2 of the FAF.

The Acknowledgment will list the colleges and programs to which your FAF was sent. If you list more than six colleges to get your FAF, the Acknowledgment will list only the first six. A second Acknowledgment will be sent to you separately which will list the additional colleges.

What if I later want to send my FAF to another college or program?

The Acknowledgment form has a section which you can tear off and send to CSS if you later want to send your FAF to another college or program. The section is called the Additional College Request Form (ACRF). The fee for the ACRF is \$5.00 for the first college or program you list and \$3.50 for each other one.

Note: To check information that you give on the FAF, the CSS may ask to see an official copy of your or your parents' 1980 income tax return. Do not send any income tax forms with your FAF to the CSS. Some colleges and programs may ask you to send a copy of your income tax return to them. If so, send it directly to the college or program. If you do not give income tax information that is asked for, you may not receive aid.

A major source of financial aid for students is a Basic Grant which is money from the federal government. For most students, financial aid begins with a Basic Grant. But it does not have to end there. In most states, a state agency offers additional financial aid. Many types of aid are offered through the college as well. These can include grants (money you don't have to pay back), loans, and jobs.

The information below should help you understand more about Basic Grants and other types of aid that are available.

THE BASIC GRANT PROGRAM

What is a Basic Grant?

A Basic Grant is money to help you pay for your college education. Basic Grants are awarded on the basis of need, which will be figured out by the Basic Grant Program using a formula that is set by law. A Basic Grant is not a loan, so you don't have to pay it back. In 1981-82, grants will range from \$200 to \$1,800.

The actual dollar amount of your Basic Grant depends on:

- your eligibility index
- whether you are a full-time or part-time student
- how much it costs to go to your college
- how long you will be enrolled between July 1, 1981 and June 30, 1982

Who can get a Basic Grant?

To get a Basic Grant, you must:

- be a U.S. citizen or an eligible noncitizen
 - be an undergraduate student who does not yet have a bachelor's degree
 - be going to college at least half-time
 - be enrolled in a college that takes part in the Basic Grant Program
- If you meet all of the requirements listed above, you may be eligible to get a Basic Grant award.

How do I get a Basic Grant?

Fill out the FAF and send it to the College Scholarship Service. Your form must be received by March 15, 1982, but the sooner you send it in, the better. After the CSS analyzes the information, it will send it to the Basic Grant Program.

It doesn't cost you anything to apply for a Basic Grant.

Within six weeks after you mail your FAF, the Basic Grant Program will send you a Student Eligibility Report (SER). The SER gives a number called an eligibility index. This number is calculated from the information that you give on your FAF. It helps decide whether you can get a grant and, if so, how much. The lower the number, the higher the award.

Be sure to read all the instructions that come with the SER. They will tell you what to do next to get a Basic Grant.

If you do not get a SER within six weeks, write to: Basic Grants, Box 23278, L'Enfant Plaza Station, Washington, DC 20024. Give your name, address, social security number, and date of birth and ask for a copy of your SER. If your address has changed since you sent in your FAF, be sure to give your new address.

Are there other forms I can use to apply for a Basic Grant for 1981-82?

There are four other forms you can use to apply for a Basic Grant.

- The Family Financial Statement (FFS)
- The Pennsylvania Higher Education Assistance Agency (PHEAA) Form
- The Student Aid Application for California (SAAC)
- The Basic Grant Application Form

Each of the four forms has a box for you to check if you want to apply for a Basic Grant. If you have checked that box, you have already applied for a Basic Grant.

You should still fill out the FAF if you are applying for other kinds of financial aid from your state, college, or another program. If you want to apply for only a Basic Grant, you should fill out the Basic Grant Application Form and pay no fee.

What if my financial situation changes?

The FAF asks mostly about income and expenses for 1980. If your family or financial situation has changed, you may be able to fill out a

Special Condition Form. That form asks mostly about the income and expenses you expect to have in 1981. These changes include:

Loss of income. If you are filling out the FAF to apply for other kinds of financial aid, you must also fill out the Special Condition Form if you or your family will have a much lower income in 1981 than you had in 1980. If you want to apply for only a Basic Grant, you can fill out the Special Condition Form instead of the FAF if you or your family will have a much lower income in 1981 than you had in 1980. This lower income must have been caused by:

- Leaving a full-time job to go to college
- Losing income because of unemployment, disability, or natural disaster
- Losing unemployment compensation or some type of nontaxable benefit (like social security child support, or welfare)
- Divorce, separation, or death. If you've already applied for a Basic Grant and, since that time, there's been a change in your family situation that affects the information you gave on your FAF, you can fill out a Special Condition Form, too. Examples of changes are:

- Separation or divorce
- Death of a parent or your spouse

The instructions that come with the Special Condition Form will tell you if it is the right form for you to use. You can get a Special Condition Form from your high school counselor, from a college financial aid office, or from Basic Grants, Box 84, Washington, DC 20024.

Deadline: The Special Condition Form must be received by March 15, 1982.

You may still need to fill out the FAF if you are applying for other kinds of financial aid from your state, college, or another program. If your financial or family situation changes after you have filled out this FAF, you have to follow the procedures described above.

Information on the Privacy Act and the Use of Social Security Numbers

The Privacy Act of 1974 says that each federal agency that asks you for your social security number or other information must tell you:

- its legal right to ask for the information and whether the law says you must give it
- what purpose the agency has in asking for it and how it will be used
- what could happen if you do not give it

The legal right to ask for all information on the form (except your social security number) is the law that authorizes the Basic Grant Program. The law is Title IV-A-1 of the Higher Education Act of 1965, as amended. The legal right to ask for your social security number is found in section 7(a)(2) of the Privacy Act of 1974.

To apply for a Basic Grant, you must fill in all parts of the FAF except questions 5, 8, 14, 15, 30, 37, 42, 43, and 44. These added questions are used to help state student financial aid programs and colleges that give financial aid. If you do not answer question 44, it will be assumed that you answered "No" for that question.

The social security number is needed to know who you are, to process your FAF, and to keep track of your record. Your social security number is used in recording information about your college attendance and progress, in making payments to you directly, in case your college does not handle payment, and in making sure that you have received your money. If you do not give your social security number, you will not get a Basic Grant.

The other information on the form is needed to calculate your eligibility index. The index is used to help the Basic Grant Program decide how large a grant you may get, if any. If you do not give the required information, you will not get a Basic Grant.

Your name, address, social security number, date of birth, and eligibility index may be sent by the Basic Grant Program to up to two colleges that you list in question 42. This information may also go to the state scholarship agency of your state of legal residence to be used in coordinating state financial aid programs with the Basic Grant Program. Also, infor-

Financial Aid Form

School Year 1991-92

Read instructions carefully as you fill in this form.

Section A Student's Information

1. Student's name: Last _____ First _____ MI _____

2. Student's permanent mailing address (See front cover for state abbreviation):
Number, street, and apartment number _____
City _____ State _____ Zip code _____

3. Student's social security number: _____-_____-_____-_____-_____-_____-

4. Student's date of birth: Month _____ Day _____ Year _____

5. Student's state of legal residence: _____ State _____

6. The student is: ☐ a U.S. citizen
☐ an eligible noncitizen (See instructions)
☐ neither of the above (See instructions)

Warning
If you use this form to establish eligibility for federal student aid funds, you should know that any person who makes false statements or misrepresentations on this form is subject to a fine or to imprisonment or both, under provisions of the United States Criminal Code.

7. The student is: ☐ unmarried (single, divorced, or widowed)
☐ married
☐ separated

8. Student's year in college during 1991-92:

1 ☐ 1st (freshman) 4 ☐ 4th (senior)
2 ☐ 2nd (sophomore) 5 ☐ 5th (undergraduate)
3 ☐ 3rd (junior) 6 ☐ graduate or professional (beyond a bachelor's degree)

9. Will the student have a bachelor's degree by July 1, 1991?

1 ☐ Yes (See instructions) 2 ☐ No

Section B Student's Status Read the instructions to find out who is **not** also as the student's parent before you answer 10, 11, and 12.

10. Did or will the student live with the parents for more than six weeks:

In 1989? 1 ☐ Yes 2 ☐ No In 1991? 1 ☐ Yes 2 ☐ No

11. Did or will the parents claim the student as an income tax exemption:

In 1989? 1 ☐ Yes 2 ☐ No In 1991? 1 ☐ Yes 2 ☐ No

12. Did or will the student get more than \$1,000 worth of support from the parents:

In 1989? 1 ☐ Yes 2 ☐ No In 1991? 1 ☐ Yes 2 ☐ No

☐ If you answered "Yes" to any of the questions in Section B, you must fill in the purple shaded areas. If your parents are separated or divorced, if your parent is widowed, or if you have a stepparent, you must read the instructions before going on.

☐ If you answered "No" to all 6 questions in Section B, you must fill in the gray shaded areas. Some colleges or programs may also ask you to fill in the purple shaded areas.

Section C Household Information

Parents:

13. The parents' current marital status is:
1 ☐ single 2 ☐ separated 3 ☐ widowed
4 ☐ married 5 ☐ divorced

14. The parents' state of legal residence is: _____ State _____

15. The age of the older parent is: _____

Student (if spouse):

16. The total size of the student's household during 1991-92 will be: _____ (Include the student, spouse, and student's dependent children; include other dependents if they meet the definition in the instructions.)

17. The total size of the parents' household during 1991-92 will be: _____ (Include the student even if he/she does not live at home. Also include parents and parents' other dependent children; include other dependents if they meet the definition in the instructions.)

18. Of the number in 16, how many will be in college during 1991-92? _____ (Include the student who is applying for aid, and others who will be in college at least half-time.)

19. Of the number in 16, how many will be in college during 1991-92? _____ (Include the student who is applying for aid and others who will be in college at least half-time.)

Section D Income and Expense Information

20. A 1990 U.S. income tax return will be filed or has been filed:

Parents: Yes ☐ No ☐ Student (if spouse): Yes ☐ No ☐

If you answered "Yes" to 20, go to 21. If you answered "No" to 20, skip to 28.

21. The following 1990 U.S. income tax figures are: _____ (See instructions.)

22. From a: 1 ☐ completed return 2 ☐ estimated return23. From a: 1 ☐ completed return 2 ☐ estimated return

24. 1990 total number of exemptions (IRS Form 1040, line 7 or 1040A, line 6): _____

25. 1990 Adjusted Gross Income (IRS Form 1040, line 31 or 1040A, line 11): _____

26. 1990 U.S. income tax paid (IRS Form 1040, line 47 or 1040A, line 14a): _____

27. 1990 itemized deductions (IRS Form 1040, Schedule A, line 38 or write "0" if deductions were not itemized): _____

28. 1990 income earned from work by:

a. Father \$ _____ 29a. Student \$ _____

b. Mother \$ _____ 29b. Spouse \$ _____

29. 1990 nontaxable income:

a. Social security benefits (Parents: Include the student's benefits. See instructions.)

c. Other nontaxable income (Use the worksheet in the instructions.)

b. Aid to Families with Dependent Children (AFDC or ADQ)

c. Other nontaxable income (Use the worksheet in the instructions.)

30. 1990 medical and dental expenses not paid by insurance:

d. \$ _____ 30. \$ _____

Section D Income and Expense Information (continued)

	Parents	Student (if spouse)
29. 1981 elementary, junior high, and high school tuition paid (Don't include tuition paid for the student.)	\$ _____ .00	\$ _____ .00
30. Expected 1981 taxable and nontaxable income (See instructions.)	\$ _____ .00	\$ _____ .00
If you are filling in the purple shaded areas, answer 21 and 32 about the student. Use the worksheets in the instructions to figure out this income.		
31. Student's (if spouse's) total 1980 income minus U.S. income tax paid	\$ _____ .00	\$ _____ .00
32. Student's (if spouse's) savings and net assets	\$ _____ .00	\$ _____ .00

Section E Asset Information

	Parents		Student (if spouse)	
	What is it worth now?	What is owed on it?	What is it worth now?	What is owed on it?
33. Cash, savings, and checking accounts	\$ _____ .00	\$ _____ .00	\$ _____ .00	\$ _____ .00
34. Home	\$ _____ .00	\$ _____ .00	\$ _____ .00	\$ _____ .00
35. Other real estate and investments	\$ _____ .00	\$ _____ .00	\$ _____ .00	\$ _____ .00
36. Business and farm	\$ _____ .00	\$ _____ .00	\$ _____ .00	\$ _____ .00

ALL STUDENTS MUST FILL IN SECTIONS F AND G.

Section F Student's (if Spouse's) Expected Income

37. Social security benefits (Include only the student's benefits.)	Amount per month \$ _____ .00	Number of months _____
38. Veterans educational benefits (Include only the student's benefits from the GI Bill and Dependents Educational Assistance Program. Don't include the new VA Contributory Benefits.)	Amount per month \$ _____ .00	Number of months _____
39. Other nontaxable income of student (if spouse) (Don't include student financial aid or any of the benefits given in 37 and 38.)	Amount for July 1, 1981-June 30, 1982 \$ _____ .00	
	Summer 1981	School Year 1981-82
40. a. Student's taxable income (Don't include student financial aid.)	3 months \$ _____ .00	9 months \$ _____ .00
b. Spouse's taxable income (Don't include student financial aid.)	3 months \$ _____ .00	9 months \$ _____ .00

Section G Other Information and Signatures

41. I give CBS permission to send information from this FAF to:

(Check only one box.)

- 1 ☐ Both the Basic Grant Program and the colleges, agencies, and programs listed in 42 below. (A fee is required.)
- 2 ☐ Only the Basic Grant Program. (No fee is required.)
- 3 ☐ Only the colleges, agencies, and programs listed in 42 below. (A fee is required.)

42. List the names and code numbers of the colleges, agencies, and programs that are to get information from this FAF. Do not list the Basic Grant Program. If you want a copy of the FAF to go to the colleges or programs you list, be sure you check box 1 or 3 in 41 above and enclose the correct fee.

Name	City, State	CBS Code No.

43. Fee. If you give permission in 41 for colleges, agencies, and programs (other than the Basic Grant Program) to get information from this FAF, a fee is required. Check the box next to the number of colleges, agencies, and programs you have listed in 42 and mail this FAF with a check or money order for the right amount made out to the College Scholarship Service.

1 ☐ \$0.00 2 ☐ \$0.00 3 ☐ \$12.00 4 ☐ \$16.00 5 ☐ \$19.00 6 ☐ \$23.00

If you want to get a report of your CBS Estimated Contribution, check here and add \$1.00 to the amount checked above.

(This service is not available if you are applying only to the Basic Grant Program.)

44. Do you permit the Basic Grant Program to send information from this FAF to:

a. the state financial aid agency in your state? Yes ☐ 1 No ☐ 2

b. the first two colleges in 42? Yes ☐ 1 No ☐ 2

See the instructions. If you leave a or b blank, the Basic Grant Program will assume you answered "No."

Certifications All of the information on this form is true

and complete to the best of my (our) knowledge. If asked by an authorized official, I (we) agree to give proof of the information that I (we) have given on this form. I (We) realize that this proof may include a copy of my (our) 1980 U.S. or state income tax return. I (We) also realize that if I (we) do not give proof when asked, the student may not get aid.

1 Student's signature

2 Spouse's signature

3 Father's signature

4 Mother's signature

Date completed

Month _____ Day _____ Year _____

financial Aid form

School Year 1982-83

COLLEGE SCHOLARSHIP SERVICE OF THE COLLEGE BOARD

What is the Financial Aid Form?

The Financial Aid Form (FAF) is a form that you fill out if you want to apply for financial aid for the school year 1982-83 from:

- financial aid programs at colleges where you are thinking of going after high school or where you now go
- state scholarship and grant programs
- federal student financial aid programs, including the Pell (Basic) Grant Program

The information you give on the FAF is confidential.

After you complete the FAF, send it to the College Scholarship Service (CSS). The CSS will analyze it and send the information to the colleges and programs that you list on your FAF. Each college or program then decides whether you will get financial aid and how much aid you will get.

How do I apply for financial aid from colleges and from state scholarship and grant programs?

Check with the colleges you want to attend and your state scholarship or grant program to see if they need a copy of the FAF. If so, list them in question 41. It costs \$6.50 for the first college or program and \$4.50 for each other college or program you list in question 41. Don't send cash. Make your check or money order out to the College Scholarship Service. Some colleges and programs may ask you to fill out other forms as well.

How do I apply for federal student financial aid programs?

You apply for federal student financial aid programs by checking "yes" in question 43. You'll find more information about federal student financial aid programs in this booklet.

When should I fill out the FAF?

Fill out and mail the FAF after January 1, 1982, but at least one month before the earliest deadline of the colleges and programs that you list in question 41. Don't file this FAF after March 15, 1983.

What is my CSS "Estimated Contribution"?

The CSS estimates what you and your family can pay toward your costs for college. Remember that each college or program makes the final decision about how much you and your family can pay. Because of this, the amount that the college or program figures can be higher or lower than the CSS Estimated Contribution.

The CSS will send you a report showing the information that was used to calculate your estimated contribution.

Where do I send the FAF?

After you fill out the FAF, put it in the envelope that you'll find inside this booklet and mail it to the correct address given below.

If you live in:

Alabama AL New Hampshire NH
Connecticut CT New Jersey NJ
Delaware DE New York NY
District of Columbia DC North Carolina NC
Florida FL Ohio OH
Georgia GA Pennsylvania PA
Idaho ID Puerto Rico PR
Indiana IN Rhode Island RI
Iowa IA South Carolina SC
Kansas KS Tennessee TN
Kentucky KY Texas TX
Louisiana LA Vermont VT
Maine ME Virginia VA
Maryland MD Washington WA
Massachusetts MA West Virginia WV
Michigan MI Wisconsin WI
Mississippi MS Wyoming WY

send your filled-out FAF to:

College Scholarship Service
Box 2700
Princeton, NJ 08541

If you live somewhere other than the places listed above, send your filled-out FAF to the CSS office in Princeton, NJ.

If you live in:

Arkansas AR Nevada NV
Arizona AZ New Mexico NM
Arkansas AR North Dakota ND
California CA Oklahoma OK
Colorado CO Oregon OR
Connecticut CT South Dakota SD
Delaware DE Utah UT
Florida FL Texas TX
Georgia GA Virginia VA
Idaho ID Washington WA
Illinois IL West Virginia WV
Indiana IN Wisconsin WI
Iowa IA Wyoming WY
Kansas KS Nebraska NE
Kentucky KY Nevada NV
Louisiana LA New Mexico NM
Maine ME North Dakota ND
Maryland MD Oklahoma OK
Massachusetts MA Oregon OR
Michigan MI Rhode Island RI
Minnesota MN South Dakota SD
Missouri MO Tennessee TN
Montana MT Texas TX
Nebraska NE Utah UT
Nevada NV Virginia VA
New Hampshire NH Washington WA
New Jersey NJ West Virginia WV
New Mexico NM Wisconsin WI
New York NY Wyoming WY
North Carolina NC

send your filled-out FAF to:

College Scholarship Service
Box 380
Berkeley, CA 94701

Will the CSS tell me when it has finished analyzing my FAF?

Yes. The CSS will send you an Acknowledgment after it has analyzed your FAF. The Acknowledgment (including your "Estimated Contribution") will be sent to the student's mailing address given in question 2 of the FAF.

The Acknowledgment will list the colleges and programs to which your FAF was sent. If you list more than six colleges to get your FAF, the Acknowledgment will list only the first six. A second Acknowledgment will be sent to you separately which will list the additional colleges.

What if I later want to send my FAF to another college or program?

The Acknowledgment form has a section which you can tear off and send to CSS if you later want to send your FAF to another college or program. The section is called the Additional College Request Form (ACR). The fee for the ACR is \$6.50 for the first college or program you list and \$4.50 for each other one.

Note: Some colleges and programs may ask you to send a copy of your income tax return to them. If so, send it directly to the college or program. If you don't give the income tax information that is asked for, you may not receive aid. Don't send any income tax forms with your FAF to the CSS.

Financial aid for your college education can come from the federal government, your state government, your college, and privately sponsored programs. Financial aid can include grants (money you don't have to pay back), loans, and jobs. This information should help you understand more about the federal student financial aid programs.

FEDERAL STUDENT FINANCIAL AID PROGRAMS

You can use this form as the first step in applying for financial aid from five student assistance programs offered by the U.S. Department of Education (ED). More than 6,500 colleges and other institutions take part in one or more of the federal programs. Some colleges, however, do not take part in all of the programs. Contact the college financial aid administrator to find out which federal programs the college participates in.

What are the five federal student aid programs?

Pell Grants (formerly called Basic Grants) Pell Grants are awarded to students who need money to pay for college. A Pell Grant is not a loan, so you don't have to pay it back. To get a Pell Grant, you must go to college at least half-time and be an undergraduate who doesn't already have a bachelor's degree.

Supplemental Educational Opportunity Grants (SEOG) An SEOG is also a grant. To get an SEOG, you must be an undergraduate who doesn't already have a bachelor's degree. Usually, you must be going to college at least half-time. However, a college can award SEOGs to a limited number of students who are enrolled for less than half-time.

College Work Study (CWS) A CWS job lets you earn part of your college expenses for either undergraduate or graduate study. Usually, you must be going to college at least half-time. However, a college can award CWS jobs to a limited number of students who are enrolled for less than half-time.

National Direct Student Loans (NDSL) NDSLs are low-interest loans made by a college to both undergraduate and graduate students who are going to college at least half-time. After you leave college, you must repay this money.

Guaranteed Student Loans (GSL) A GSL is a low-interest loan made to you by a lender such as a bank, credit union, or savings and loan association. These loans are for both undergraduate and graduate students who are going to college at least half-time. After you leave college, you must repay this money.

Who can get aid from these programs?

- To receive financial aid from these federal programs, you must:
 - Be a U.S. citizen or an eligible noncitizen.
 - Have financial need. The ED and your college will use the information you put on this form to determine your need.
 - Attend a college that takes part in one or more of the programs.
 - Be enrolled and working toward a degree, diploma, or certificate.

How do I get aid from these programs?

Fill out the FAF, check "Yes" to question 43, and send it to the CSS with the correct fee. Your form must be received by March 15, 1993, but not before January 1, 1992. The sooner you send it in, the better. The CSS will send your information to the ED.

Within six weeks after you mail in this form, the ED will send you a Student Aid Report (SAR). On the SAR will be a number called a Student Aid Index (SAI). A formula established by law is used to figure this number. The SAI helps decide whether you can get a Pell Grant and, if so, how much. The lower the SAI, the higher the Pell Grant will be. This SAI will also help the college decide whether you are eligible for aid from the SEOG, NDSL, and CWS programs.

If you don't get a SAR within six weeks, write to Federal Student Aid Programs, Box 92505, Los Angeles, CA 90005. Give your name, address, social security number, and date of birth, and ask for a copy of your SAR. If your address has changed since you sent in your FAF, be sure to give your old and new addresses.

What if my financial situation changes?

This form asks mostly about income and expenses for 1991. If your financial situation has recently changed for the worse, you may be able to fill out a Special Condition Application for Federal Student

Aid. That application asks mostly about the income and expenses that you expect to have in 1992. Contact your financial aid administrator to find out more about the Special Condition Application for Federal Student Aid.

Where can I get additional information?

Write to Federal Student Aid Programs, Box 84, Washington, DC 20044, and ask for a copy of *The Student Guide: Five Federal Financial Aid Programs, 1992-93*.

Information on the Privacy Act and Use of Your Social Security Number

The Privacy Act of 1974 says that each federal agency that asks for your social security number or other information must tell you:

- its legal right to ask for the information and whether the law says you must give it
- what purpose the agency has in asking for it and how it will be used
- what could happen if you do not give it.

You must give your social security number in order to apply for a Pell Grant and a Guaranteed Student Loan. The social security number is needed to know who you are, to process your form, and to keep track of your record. In addition, your social security number is used in the Pell Grant Program in recording information about your college attendance and progress, in making payments to you directly in case your college doesn't handle this, and in making sure that you have received your money if you don't give your social security number, you will not get a Pell Grant or a Guaranteed Student Loan.

The legal right to require that you provide your social security number for the Pell Grant and Guaranteed Student Loan programs is based on Section 1(a)(2) of the Privacy Act of 1974.

It is requested that you voluntarily give your social security number if you are using this form only to apply for financial aid from the College Work Study, National Direct Student Loan, and Supplemental Educational Opportunity Grant programs. Your social security number is used in processing your form. If you don't give your social security number, you are not disqualified from receiving aid under these programs.

The legal right to ask for all information except your social security number is based on sections of the law that authorize the Pell Grant, Supplemental Educational Opportunity Grant, College Work Study, National Direct Student Loan, and Guaranteed Student Loan programs. These include sections 411, 413B, 443, 484, 425, 438, and 482 of the Higher Education Act of 1965, as amended.

If you apply or intend to apply for student aid under all five programs, you must fill in all parts of the application except questions 30, 41, 42, 44, and all of Side II. However, if you are not applying or intending to apply for a Guaranteed Student Loan, you need not answer questions 7 and 16 as well as questions 30, 41, 42, 44, and all of Side II. Finally, if you are not applying for a Pell Grant or a Supplemental Educational Opportunity Grant, you need not answer question 8 as well as questions 30, 41, 42, 44, and all of Side II. If you don't answer question 44, it will be counted as "No."

The information on the form is asked for so that your Student Aid Index can be figured. The Student Aid Index is used to help decide how much federal financial aid you will get, if any. If you don't give the required information, you will not get federal student financial aid.

Your name, address, social security number, date of birth, Student Aid Index, student status, year in college, and state of legal residence will be sent to the first two colleges you list in question 41 even if you check "No" in question 44. This information will also go to the state scholarship agency in your state of legal residence to help it coordinate state financial aid programs with federal student aid programs. Also, information may be sent to members of Congress if you or your parents ask them to help with federal student aid questions. The information also may be used for any purpose which is a "routine use" listed in Appendix B of 34 CFR 50.

Financial Aid Form—Side I

School Year 1982-83

Read the instructions carefully as you fill in this form.

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Section A—Student's Information

1. Student's name

Last _____ First _____ MI _____

2. Student's permanent mailing address (See front cover for state abbreviation.)

Number, street, and apartment number _____
City _____ State _____ Zip code _____

3. Student's social security number

_____-_____-_____-_____-_____-_____-

4. Student's date of birth

Month _____ Day _____ Year _____

5. Student's state of legal residence

State _____

6. The student is

- 1 ☐ U.S. citizen
2 ☐ an eligible noncitizen (See instructions.)
3 ☐ neither of the above (See instructions.)

Warning

If you use this form to establish eligibility for federal student aid funds, you should know that any person who makes false statements or misrepresentations on this form is subject to a fine or to imprisonment or both, under provisions of the United States Criminal Code.

7. Student's year in college during 1982-83 (Check only one box.)

- 1 ☐ 1st (freshman) 5 ☐ 5th (undergraduate)
2 ☐ 2nd (sophomore) 6 ☐ beginning graduate or professional beyond a bachelor's degree
3 ☐ 3rd (junior) 7 ☐ continuing graduate or professional
4 ☐ 4th (senior)

8. Will the student have a bachelor's degree by July 1, 1983? Yes ☐ 1 No ☐ 29. The student is 1 ☐ unmarried (single, divorced or widowed)
2 ☐ married
3 ☐ separated

10. How many dependent children does the student have? (If none, write in "0") _____

Section B—Student's Status Read the instructions to fill out who counts as the student's parent before you answer 11, 12, and 13.11. Did or will the student live with the parents for more than six weeks (42 days) in 1981? Yes ☐ 1 No ☐ 212. Did or will the parents claim the student as an income tax exemption in 1981? 1 ☐ 2 ☐ in 1982? 1 ☐ 2 ☐

13. Did or will the student get more than \$750 worth of support from the parents if you answered "Yes" to any of the questions in Section B, you must fill in the blue shaded areas.

a. Exception: If you are married, fill in both the blue and the gray shaded areas.
b. If your parents are separated or divorced, if your parent is widowed or single, or if you have a stepparent, you must read the instructions before going on.

in 1981? 1 ☐ 2 ☐ in 1982? 1 ☐ 2 ☐in 1981? 1 ☐ 2 ☐ in 1982? 1 ☐ 2 ☐in 1981? 1 ☐ 2 ☐ in 1982? 1 ☐ 2 ☐

If you answered "No" to all 6 questions in Section B, you must fill in the gray shaded areas. Some colleges or programs may also ask you to fill in the blue shaded areas.

Section C—Household Information

Parents

14. The parents' current marital status is

- 1 ☐ single 3 ☐ separated 5 ☐ widowed
2 ☐ married 4 ☐ divorced

15. The parents' state of legal residence is _____

16. The age of the older parent is _____

Student (and spouse)

17. The total size of the student's household during 1982-83 will be (include the student even if he/she does not live at home. Also include parents and parents' other dependent children. Include other people only if they meet the definition in the instructions.)

17. The total size of the parents' household during 1982-83 will be _____

(Include the student even if he/she does not live at home. Also include parents and parents' other dependent children. Include other people only if they meet the definition in the instructions.)

18. Of the number in 17, how many will be in college during 1982-83? (Include the student who is applying for aid and others who will be in college at least half time.) _____

19. Of the number in 18, how many will be in college during 1982-83? (Include the student who is applying for aid and others who will be in college at least half time.) _____

Section D—Income and Expense Information

a. If you will file or have filed a 1981 U.S. income tax return, go to 21.

b. If you will not file a 1981 U.S. income tax return, skip to 25.

21. The following 1981 U.S. income tax return figures are (See instructions.)

22. 1981 total number of exemptions (IRS Form 1040, line 6c or 1040A, line 6)

23. 1981 income from IRS Form 1040, line 31 or 1040A, line 10 (Use the worksheet in the instructions.)

24. a. 1981 U.S. income tax paid (IRS Form 1040, line 47 or 1040A, line 15a)

b. 1981 state and local income taxes paid

25. 1981 itemized deductions (IRS Form 1040, Schedule A, line 39. Write in "0" if deductions were not itemized.)

26. 1981 income earned from work by

27. 1981 other income and benefits

a. Social security benefits (Don't include the student's benefits.)

b. Aid to Families with Dependent Children (AFDC or ADC)

c. All other 1981 income and benefits (scholarship support, disability income, etc.) (Use the worksheet in the instructions.)

Parents

1 ☐ from a completed return2 ☐ estimated

21. _____

22. \$ _____

23. \$ _____

24a. \$ _____

24b. \$ _____

25. \$ _____

26. Father \$ _____

26. Mother \$ _____

27a. \$ _____

27b. \$ _____

27c. \$ _____

Student (and spouse)

21. 1 ☐ from a completed return2 ☐ estimated

22. _____

23. \$ _____

24a. \$ _____

24b. \$ _____

25. \$ _____

26a. Student \$ _____

26b. Spouse \$ _____

27a. XXXXXXXXXXXX

27b. \$ _____

27c. \$ _____

Section D—Income and Expense Information (continued)

	Parents	Student (and spouse)
28. 1981 medical and dental expenses not paid by insurance	\$ 00	\$ 00
29. 1981 elementary, junior high, and high school tuition paid (Don't include tuition paid for the student.)	\$ 00	\$ 00
30. Expected 1982 taxable and nontaxable income and benefits (See instructions.)	\$ 00	\$ 00
If you are filling in the blue shaded areas, answer 31 and 32 about the student. Use the worksheets in the instructions to figure out the answers.		
31. Student's (and spouse's) total 1981 income minus U.S. state and local income taxes paid	\$ 00	\$ 00
32. Student's (and spouse's) savings and net assets	\$ 00	\$ 00

Section E—Asset Information

	Parents		Student (and spouse)	
	What is it worth now?	What is owed on it?	What is it worth now?	What is owed on it?
33. Cash, savings, and checking accounts	\$ 00		\$ 00	\$ 00
34. Mutual funds (Enter in § 1.)	\$ 00	\$ 00	\$ 00	\$ 00
35. Other real estate and investments	\$ 00	\$ 00	\$ 00	\$ 00
36. Business and farm	\$ 00	\$ 00	\$ 00	\$ 00

ALL STUDENTS MUST FILL IN SECTIONS F AND G.

Section F—Student's (and Spouse's) Expected Income and Benefits

	Summer 1982	School Year 1982-83
37. a. Student's taxable income (Don't include student financial aid.)	3 months \$ 00	9 months \$ 00
b. Spouse's taxable income (Don't include student financial aid.)	3 months \$ 00	9 months \$ 00

	July 1, 1982-June 30, 1983
38. Social security benefits for student, spouse, and dependent children	Amount per month \$ 00 Number of months
39. Veterans educational benefits (Include only the student's benefits from the GI Bill and Dependents Educational Assistance Program. Don't include VA Contribution Benefits.)	Amount per month \$ 00 Number of months
40. Other income and benefits of student (and spouse) (Don't include student financial aid or any of the income or benefits given in 37, 38, and 39.)	Amount for July 1, 1982-June 30, 1983 \$ 00

Section G—Other Information and Signatures

41. List the names and code numbers of the colleges and programs that are to get information from this FAF. Don't list federal student aid programs. Be sure you include the right fee.

Name	City and State	CSS Code No.	Fee

42. Housing Codes: 1 = Campus residence hall; 2 = Campus married student housing; 3 = Parents' home; 4 = Relatives' home; 5 = Off-campus residence hall; 6 = Off-campus apartment/house; 7 = Other type of housing.

43. Fee. Check the box next to the number of colleges and programs listed in 41.
 1 ☐ \$0-30 3 ☐ \$15-50 5 ☐ \$24-50
 2 ☐ \$1-10 4 ☐ \$20-30 6 ☐ \$25-40

Mail this FAF with a check or money order for the right amount made out to the College Scholarship Service.

44. Do you give CSS permission to send information from this FAF to the U.S. Department of Education? (Answer "Yes" if you want to be considered for the Federal Grant, Supplemental Educational Opportunity Grant, College Work Study, National Direct Student Loan, or Guaranteed Student Loan programs.)
 Yes ☐ No ☐

45. Do you give the U.S. Department of Education permission to send information from this FAF to:
 a. the financial aid agency in your state? Yes ☐ No ☐
 b. the first two colleges in 41? Yes ☐ No ☐

Note: Answering "Yes" to 44a and 44b will not meet the requirements of most federal financial aid programs for federal financial aid. See instructions.

Certifications: All of the information on this form is true and complete to the best of my knowledge. I am a student at the college named in 41. I agree to give proof of the information that I have given on this form. I agree that this proof may include a copy of my 1981 U.S. state or local income tax return, a 1981 federal income tax return, or other proof when asked. The student's tax return per 45.

1. Student's signature	2. Spouse's signature	Date completed
3. Father's signature	4. Mother's signature	Month Day Year

CONTINUE WITH QUESTION 46 ON THE NEXT PAGE

Mr. GLADIEUX. I will lead off.

Mr. SIMON. You understand where we want to focus. I would appreciate your focusing your remarks on whether you agree or disagree with what has happened.

No. 2, we would appreciate your focusing on what we ought to do about it.

Mr. GLADIEUX. The College Board is a national association of more than 2,500 schools and colleges, since 1900, committed to help students make the transition from high school to college.

The College Scholarship Service was founded in 1954 by a group of member colleges to the College Board who try to get together and reach agreement on standards for awarding scholarships and other things for students.

The creation of CSS came before the Federal and State Governments when they got into the business of student aid. Today, CSS is an association within the College Board that provides the nearly 1,200 members, including campus and State financial aid administrators, admission officers, guidance counselors, and students.

In the past 25 years student aid has grown dramatically.

Mr. SIMON. I do not mean to cut you off, but rather than go into the history, would you deal with my two points? I am going to arbitrarily give each of you a 3-minute limit here. You have absorbed 2 of your 3 minutes.

The two points are: One, what do you think of where we are right now? and, two, what we ought to do about it and where we ought to go.

Mr. GLADIEUX. Mr. Chairman, I will turn to Ms. Wickstrom to comment.

Ms. WICKSTROM. I think specifically where we are right now is with CSS, the process is about 60 percent of the activity nationally.

We literally, in 6 weeks this fall, turned 45 train carloads of paper into 16 million forms in 33 versions and distributed them in 50,000 sites.

More than half of our whole year's volume is already in our respective processing centers. All that is to say is that we are well beyond a turning point for any disruption in the 1982-83 processing.

Students have applied for the forms and about 98 percent, or close to 99 percent, have applied for Federal funds by using the CSS form.

As has been stated by the representatives of the Department of Education, the form is not just used for Federal purposes. We go through an extensive deliberation with 33 different State versions so that State elements, and elements required by institutions, are included. That is the whole backside of the point.

They provide for the students one form to complete all forms of assistance.

We are reimbursed by the Federal Government when we send off the Federal element so the fee to the students is reduced by that reimbursement.

We have been very concerned about the whole question of barriers. That is the whole purpose of the College Board in admission.

The CSS Council, of which Mr. Bird is a member, represents my bosses, has directed us to begin—because of this concern—a fee

waiver program that was instituted and began in January of this year.

It eliminates not just the Federal fee. That is taken care of by the Federal Government. It also eliminates the fee for collecting that State institutional data.

Mr. SIMON. Let me be a little more specific.

Does the checkoff present any problems to you? Does the failure to have a checkoff present barriers to the students?

Ms. WICKSTROM. The checkoff does not present any problem to us. It becomes a matter of processing and the whole internal system.

I believe that the absence of the checkoff this year has probably not provided a substantial barrier to the students based on what we see in terms of our form and its distribution.

Again, that should be cited as my personal perception in looking at what I see about data and the students and having just had intensive encounters with the members of our council, including students, data officers, admissions counselors, and representatives from State agencies.

Mr. SIMON. Thank you.

Ms. Rosenberg?

You may proceed.

**STATEMENT OF MIRIAM A. ROSENBERG, NATIONAL DIRECTOR,
NATIONAL COALITION OF INDEPENDENT COLLEGE AND UNIVERSITY STUDENTS**

Ms. ROSENBERG. Thank you, Mr. Chairman.

I would request that my prepared statement be placed in the record in its entirety.

Mr. SIMON. Without objection, so ordered.

[Prepared testimony of Miriam Rosenberg follows:]

**TESTIMONY PRESENTED BY MIRIAM A. ROSENBERG, COPUS NATIONAL DIRECTOR, THE
NATIONAL COALITION OF INDEPENDENT COLLEGE AND UNIVERSITY STUDENTS**

Prior to the passage of the 1980 Higher Education Amendments, students could apply for Federal financial assistance (BEOG or Pell Grants, and the campus-based programs: NDSL, SEOG, and CWS; not GSL and SSIG) using either the Basic Grant Application Form (a federally-produced form which goes straight to the Central Processors out West), or one of the forms from the private Services (the Financial Aid Form, or FAF, from the College Scholarship Service of the College Board, or CSS, and the Family Financial Statement, or FFS, from the American College Testing Needs Analysis Services, or ACT). If a student used the Federal Basic Grant application form, there was no application fee, and if the student used one of the Services' forms to apply for a Basic Grant, there was still no charge. The only forms through which a student could apply for campus-based aid were the Services' forms, for which a fee was required.

With the passage of the 1980 Amendments, Section 483(a) was added to the existing laws, stipulating that the student and/or parents should not be charged a fee in the application process for any Federal financial aid (except GSL and SSIG). Although the Amendments were passed in late 1980, it was too late to implement them for the coming 1981-82 school year, so that the 1982-83 school year would be the first time they could be implemented.

As a result of the passage of Sec. 483(a) into law, students should have been able to apply through one form for Pell Grants and/or campus-based aid for academic year 1982-83 without paying a fee. Further, according to the Senate Labor and Human Resources Committee Report, it was the Committee's intent that the Multiple Data Entry (MDE) process, through which a student may receive consideration for Federal, State, and institutional financial aid by completing a single common form, be continued. The MDE process, although perhaps (the Department of Educa-

tion believes) more expensive than using the single Federal form which is sent directly to the processors out West, provides for an end to the proliferation of financial aid application forms which a student and/or parents must complete to obtain eligibility for aid. This benefit to students and parents, already so confused by the financial aid application process, cannot be underestimated. In any case, the Committee clearly stated its continued support for the MDE application process in its report to Congress.

The Department has violated the law by eliminating the possibility of students utilizing the forms from the Services in order to receive consideration for Federal financial aid, without paying an application fee to those Services. The Services argue that the Department of Education, in consultation over the format of the application forms, stipulated that the Services remove the check-off box, which had been used in prior years, to indicate that a student was applying only for Federal aid, and, therefore, should not pay a fee. In a call to the CSS office, I learned that no application would be processed this year without the necessary fee.

Many students apply for only Federal aid each year. It is unconscionable to charge our nation's neediest students fees to prove they are needy. Further, it is in direct violation of the 1980 Amendments to do so.

Therefore, COPUS requests that the Department both: (1) discontinue the practice of charging students fees for applications for Federal aid by: immediately allowing students to use the FAF or FFS free of charge if they are applying only for Federal aid, (2) refund all application fees paid by students who wanted to apply only for Federal aid, but who used the FAF or FFS and paid a fee.

MS. ROSENBERG. Mr. Chairman, I am Miriam Rosenberg, national director of COPUS.

Basically, our argument is that prior to the passage of the 1980 amendments, a student could checkoff for Pell only.

After the passage of the 1980 Higher Education Amendments, the students should have been able to have some kind of option to not pay for Federal aid as they had had an option not to pay for Pell grants prior to the 1980 amendments.

However, this year we were informed that the Department had explicitly directed the services not to include any kind of box or whatever form it would take, any kind of instructions, so that the student knew they did not have to pay a fee if they were only applying for Federal aid using that form.

It adds to the fuel of our argument to the fact that the Federal forms have not really been well distributed around the country. Letters may have been sent out by the Department—I am sure they were—but the fact is that many financial aid offices and many students out there just have not seen the form and are not aware that it is coming.

The central problem is that these students, particularly if they do not have the Federal forms available, do not have the option of using those core data elements which are prescribed by the Secretary.

There is a letter from James Moore that Ms. Wickstrom showed me that said these are the core data elements we approved. These elements are for use in the CSS form.

Those data elements, which should be available free of charge for students if they are applying for Federal aid only, were not available free of charge this year.

Our concern is for both this year that the students, first of all, from here on in, be allowed to use the services' forms.

Maybe there could be an attachment with instructions saying that if you were only applying for Federal aid, do not submit a check with this and that the Department will reimburse the services.

This should be for next year also making sure that this does not happen again.

We request that the Department refund the fees which were wrongly paid by the students who were applying only for Federal aid and were not given the option of being able to acquire that Federal aid free using the core data elements on the services' forms.

Mr. SIMON. Thank you.

May I ask CSS this? Then we will get to Ms. Fine in a minute. But may I ask this?

Were you specifically requested of the Federal Government not to put the checkoff form on?

Ms. WICKSTROM. The problem or difficulty is that the forms are not used just for Federal purposes. We are reimbursed fully for transmission of Federal data for those elements.

But the form also serves a variety of State agencies and institutional data needs. Simply there is no way on the form to distinguish that a student intended only to apply for Federal funds in the 1982-83 form.

Mr. SIMON. Ms. Fine?

You may proceed.

STATEMENT OF JANICE FINE, NATIONAL CHAIR, U.S. STUDENT ASSOCIATION

Ms. FINE. Thank you, Mr. Chairman.

I would request my statement be placed in the record.

Mr. SIMON. Without objection, so ordered.

[Prepared testimony of Janice Fine follows:]

TESTIMONY OF JANICE FINE, NATIONAL CHAIR OF THE U.S. STUDENT ASSOCIATION

Good morning members and staff of the subcommittee, my name is Janice Fine. I am the National Chair of the United States Student Association and I am here on behalf of the three million students on our member campuses around the country. I would like to thank you for inviting me to address you today.

I will try to briefly discuss the problems students face as a result of the Department of Education permitting the Educational Testing Service (ETS) and the American College Testing Program (ACT) to charge all students a fee for applying for Federal student financial aid.

As you know, Congress made specific provisions for students to apply for all forms of Federal financial aid free of charge in the Higher Education Amendments of 1980. Up until this year, students only applying for Pell Grants could do so free of charge. Now the Department of Education has removed an important part of that option.

In permitting ETS and ACT to charge all students using their Financial Aid Form, or F.A.F., regardless of whether a student is only applying for a Pell Grant, the Department of Education has assumed that all students applying only for Pell Grants currently have access to the necessary Federal application forms.

Our research over the past several days indicates that this assumption is wrong. A survey of ten campuses which are members of our association (including public as well as independent institutions, and two-year as well as four-year schools) shows that only seven of the ten have received the Federal Pell Grant application. None of the ten campuses have received the "Special Conditions" form that is essential for financially independent students and others whose economic circumstances have changed within the past year, usually because they or one of their parents had been working last year but are currently unemployed or employed part-time.

Having eliminated the F.A.F. as a means of applying free of charge for Pell Grants—since applicants no longer have the option of simply indicating on the F.A.F. that they are only applying for a Pell Grant—the Department of Education has erected another barrier to higher education for those "truly needy" students such as welfare recipients, unemployed workers, and others on a fixed income for

whom money paid to ETS or ACT means money *not* spent on food, housing, children's expenses, or other essential items.

It is clear that the Department of Education is attempting to reduce its expenditures in any way possible, even on the backs of students. By eliminating the "no charge" system for students using the F.A.F. to apply for Pell Grants and by delaying distribution of the Federal Pell Grant application and the Special Conditions application the Department is saving money. It is saving money as students either turn to the F.A.F. or delay their application until the Federal forms become available (if they do become available). By delaying their applications, students are risking missed deadlines, processing delays or having their award arrive too late in the Fall to pay their tuition and other college bills. All of these options spell disaster for students.

There are several questions I hope the subcommittee will try to obtain answers to here today and in the future:

Does the Department of Education have an explanation for the poor distribution of the Federal Pell Grant application and the total unavailability of the Special Conditions form? Is the Department unable to print and distribute simple forms, or are they unwilling to do so and seeking to deliberately delay the application process?

Has the elimination of the "no charge" system for the F.A.F. meant more money for ETS and ACT? Is so, why is the Department of Education pursuing policies which increase the revenues of private businesses at the expense of students?

If, in fact, students are being charged illegal application fees, will students be reimbursed for the fees we have paid?

I would like to close by suggesting to you that the "cut budgets at all costs" attitude of the Reagan administration is what is at issue here, and in this case it is students who are being hurt. On behalf of the members of the U.S. Student Association I urge the members of this subcommittee to take whatever action is within your power to protect the interests of students as you have so many times in the past.

Again, I thank you for the privilege of appearing before you today.

Ms. FINE. I would just like to make a couple of points. Everybody has made the central points. I just want to drive home a couple of things.

The first is that in permitting ETS and ACT to charge all students using their financial aid form, or FAF, regardless of whether a student is only applying for Federal aid, the Department of Education has assumed that all students applying only for Federal aid have access to the necessary Federal forms.

I can give you two examples of why I think that is not true. One is that over the last several days we have surveyed 10 campuses around the country.

We have had our data refuted because I have been told that is only the Washington area. We are saying no. We surveyed the country—10 member campuses.

On those 10 member campuses only 7 of the 10 have that form.

None of the 10 campuses have received the "special conditions" form that is essential for financially independent students and others whose economic circumstances have changed over the year.

The other is this: I think what is clear about this law is that it does not say it should be available on one form. It should be stated on all forms.

If we can assure that a lower income person is going to see on a form that they have access to applying for financial aid for nothing, it should say it everywhere and not just some place.

The common practice in Albany and every campus is to say to the students: "One stop shopping; use the FAF form." If that FAF form does not have a checkoff that says that you are only applying for Pell, you are up the creek.

In my case, particularly, I have talked with several students to make sure it was not just me that was counseled that way. They are using the FAF form in that sense.

So boiled down simply it just means that if that is going to be the case it should be on every single form, not just some of the forms.

The other statement I would like to make is this. There are several questions I think we have to ask about this as a public policy question. Then I will make recommendations similar to Ms. Rosenberg about what should be done.

The first question is:

Is it the responsibility of colleges and universities to assure the availability of the free Federal application that the Department contends?

Or, is it the responsibility of the Department to see that all campuses have an adequate supply of both the Federal aid application and the special conditions form?

The second question is:

Has the elimination of the no-charge system for the FAF meant more money for the college board? If so, why is the Department of Education pursuing policies which increase the revenues of private businesses at the expense of students?

Does the Department have the right to violate the law? Is this the law? If this is the law, do they have the right to violate it just to save some money?

We think this is balancing the budget on the backs of students.

If they do it in this case, what is going to prevent them from doing it in several other cases?

I read today in the paper about the fact that GSL is now going to be exempted as part of Federal assistance. That is in the law.

It is mindboggling to know that the Department of Education can do this.

The other is this.

If students are being charged illegal application fees, will they be reimbursed? That is what we want to know also. Will students be reimbursed for this money?

Similar to Ms. Rosenberg, we are ready to go to court.

I would like to close by suggesting that the "cut budgets at all costs" attitude of the Reagan administration is going to definitely limit access.

The psychological barriers alone of students not being able to apply for free for this kind of Federal aid, I think keep many people out.

That is the question you have been asking: Are people going to be kept from applying? Is it enough to say that some students will get waivers? Who is going to know about those waivers? When are they going to know about them?

Thank you.

Mr. SIMON. Let me ask both you this question.

The question is whether anything can be done for the 1982-83 school year. I am a little reluctant to suggest anything can be done. There is enough confusion out there already about where we are and where we are going.

What is your reaction on this?

Ms. FINE. I would say this.

You probably should not send out the addenda form seeing how they distributed the first one. It will lead to chaos on campuses.

At the very least the check should be sent back if that is all they are applying for.

Ms. ROSENBERG. There is the problem that the form does not have any box which delineates those students applying only for Federal aid as well as those for other aid. I do not think that eliminates the possibility of doing anything.

I guess I respectfully disagree with her so far as sending out some kind of addendum. I think perhaps an explanatory sheet would clarify the matter somewhat rather than confusing it.

I do not think it could get much more confused than on the campuses right now. I think that would solve from here on in the collection of illegal fees.

The problem, of course, is with those that have already been collected. I doubt that anything can be done short of some type of legal action. I just want to make sure that in the future, particularly next year, that we can do something about it that this does not happen again.

Mr. SIMON. Do you wish to add anything?

Ms. WICKSTROM. As I stated earlier, the forms have already been distributed, millions of them. We just have them in no one place to attach an addendum to them. They are in the 50,000 distribution sites.

I think you have seen problems of distribution and any attempt to get something attached to 50,000, or to each of these forms, would be ill-advised and confusing at this point for 1982-83.

Mr. SIMON. You may have responded to this and you may have answered this in your comments earlier, but how soon do you need to know for the 1983-84 school year?

Ms. WICKSTROM. Virtually immediately. We are 6 weeks behind last year's timetable. I described that as having only 6 weeks to deal with the 45 train carloads of paper that we have.

The decisions for 1983-84 have to be agreed upon no later than June 1. That is, if we are to continue timely delivery of student aid beginning January 1, 1983.

Ms. FINE. The Federal form should be sent to the campuses that we know of that do not have the forms right now. The job is not being done. That should be increased. They should be more careful about getting the forms out.

When they do get them out, they would have the addendum. The other would be special conditions form. It was virtually unavailable at every campus that we called.

Ms. WICKSTROM. Many campuses may not be routinely distributing the Federal form because they know that the majority of their aid applicants need to use one of the forms like the ACT form because it contains valuable information needed for that student to apply to the State and other institutional aids.

There simply are a number of occasions in the vast majority of our files where the free Federal form does not provide access to all of the forms and assistance that the students apply for.

It provides access to our form and the free Federal form for Federal assistance, but a student in getting the free Federal form may

eliminate access to other valuable dollars to help meet their educational costs.

Mr. SIMON. That is the point of the checkoff. That is why I hope we can work out an agreement between the Department of Education and the subcommittee to make sure that the checkoff is there.

This will be in the future. The law, as some of us understood it, is then complied with.

You get the last word.

Ms. ROSENBERG. I have one last comment.

The Department, it seems, was a little bit fuzzing up the issue when they were talking about the fact that the campuses and the States require that the FAF or the ACT form be used.

As you expressed, that is only if they want to apply for other aid. We are talking about people that want this specifically in reference to the campuses, they have the right, and the State agencies—excuse me, the campuses have the right to use the FAF to acquire this for distribution.

If that is the case, and probably it is, then the Department ought to have arranged some kind of system by which the campuses would then be reimbursed for their costs or something like that.

The students still would not be paying for the Federal aid.

Mr. SIMON. I think the reality is increasingly students are going to have to have a number of forms of assistance fit their particular need.

The point simply is that people who are simply only applying for Federal assistance should not have to pay for that.

We thank you very much. We would probably like to submit questions to you in writing and to our witnesses from the Department of Education.

Without objection, that will be placed in the record at this point.

The hearing stands adjourned.

[Whereupon, at 11:58 a.m., the subcommittee was adjourned.]